The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Japan's Interference With Foreign Journalists in North Manchuria

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Catastrophe in Siberia . . . . . By Jonathan Mitchell

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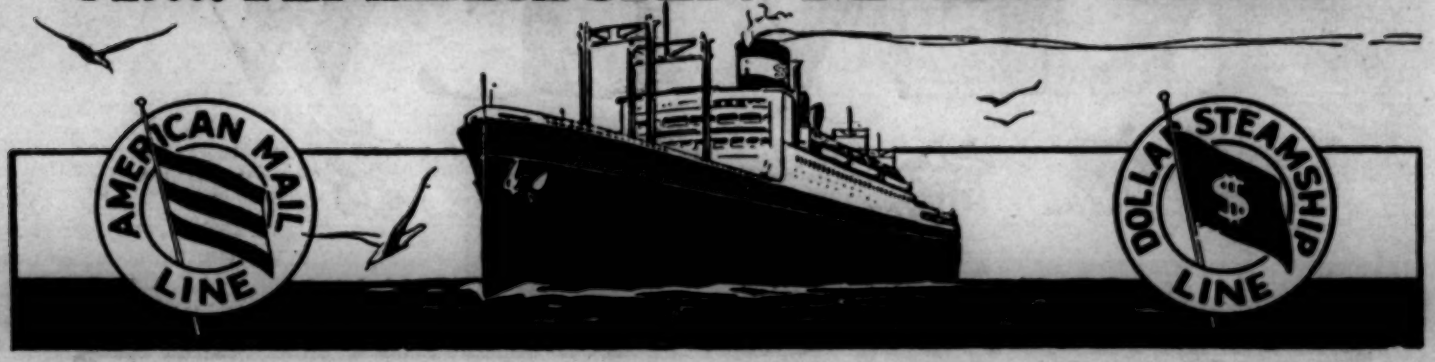

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The China Weekly REVIEW

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

WILL IT BE SIBERIA OR NORTH CHINA?

ELSEWHERE in his issue appears an important article by Mr. Jonathan Mitchell (*New Republic*, June 8) dealing with the possibilities of Japanese invasion of Siberia. Mr. Mitchell is a former staff correspondent of the *New York World* in Europe hence he brings to his study of the Far East a background of knowledge on Europe—which information is quite necessary for a correct understanding of what is now going on in Manchuria.

In the first place Mr. Mitchell quotes a report from Mr. Halleck A. Butts, American Commercial Attache in Tokyo who states that Japan's recent internal loan for the financing of the military adventure at Shanghai has failed, hence the Japanese Government is now embarking on an inflationist policy. Mr. Butts delicately describes it as "an expansion of currency with stern measures to prevent an expected exodus of Japanese capital."

In view of this situation the classic procedure of the ruling military clique in Japan probably will be another foreign military adventure.

Will it be Siberia or North China? Mr. Mitchell argues that the Japanese General Staff feels the necessity of controlling two important Siberian cities, Habarovsk and Vladivostok. Habarovsk because this is the point where the Trans-Siberian railway meets the Amur near the junction of the Sungari and the Ussuri, and Vladivostok because it is the port and terminal of both the Trans-Siberian and Ghinese Eastern railways. In order to consolidate her military control of North Manchuria and Mongolia the Japanese military clique feels it must also hold Habarovsk and Vladivostok, hence the imminent possibility of a Japanese invasion of this area, the ultimate object being to establish another puppet state to be composed of White Guardists with a possibility of a re-establishment of the Czarist regime.

However, reports from North China through both Chinese and foreign sources seem to indicate that instead of a Siberian adventure, the Japanese General Staff is making active plans for an advance into that area, a possibility suggested in these columns of *The Review* last week. According to reports from Chinese sources both the Japanese and Manchukuo troops are being concentrated on the border of Jehol province, the Japanese objective being to force the governor of Jehol, Gen. Tang Yu-lin either into the Manchu-

kuo camp or out of the province altogether. In the event the Japanese are successful in this move it will add another important province to their puppet regime in Manchuria and also will place them in a position to dominate North China. Gen. Honjo and the other Japanese war-lords responsible for the Manchurian adventure have two obsessions, first, that they must control Siberia in order to be able to hold Manchuria; and second, that Marshal Chang Hsueh-liang is responsible for Japan's trouble in pacifying Manchuria. If Chang Hsueh-liang could be driven out all would be peaceful in Manchuria and the 30,000,000 Chinese in that area would settle down and become obedient Japanese subjects! The *United Press* in a despatch from Moscow published in the Shanghai newspapers on July 3 quoted high officials of the U.S.S.R. as advocating a re-establishment of diplomatic relations between Russia and the United States as the best means of bringing the Japanese war-lords to their senses, and thereby preventing the outbreak of another world war such as would be inevitable in the event Japan invaded Siberia.

SHANGHAI'S WATER SUPPLY AND WHAT IT COSTS

THE Shanghai Municipal Council has given its O. K. to the report of the American waterworks engineer, Mr. Nicholas Hill, Jr., who made a report on the water situation in Shanghai about a year ago, the principal point of which was that the rates charged by the Shanghai Waterworks Co. were fair, taking all the circumstances into consideration. It is significant to note, however, that the Chinese members of the Council and also one other (foreign) member of the Council do not wholeheartedly approve of Mr. Hill's findings. This member stated that without in any way wishing to criticize Mr. Hill's findings or to question his ability as an expert investigator, the fact that he was only able to remain in Shanghai for a very brief period and that he was not thoroughly acquainted with local conditions might have handicapped him in arriving at certain conclusions. This member therefore, put forward the following personal observations on Mr. Hill's findings:

> That, compared with the statistics of other large cities, the domestic daily per capita consumption of water in Shanghai estimated was too high; that, in connection with water wastage, sufficient consideration might not have been given to the amount of leakage through structural defects, evaporation at the settling beds; etc.; that, in order to avoid criticism, the Company endeavor to reduce staff and overhead expenses; that, although the quality of the Company's water was described by Mr. Hill as excellent, the supply in certain districts was not free from odour and the taste of chlorine and thus did not conform to the standard laid down in America; that, with regard to the proposed adoption of a general metering system, in his opinion retention of the flat rate system would encourage the poorer class of consumer to a more liberal use of water and thus re-act to the benefit of public health; and that the initial cost of the meter installation might be out of proportion to the saving it was anticipated would be effected.

It will be recalled that the decision of the Shanghai Municipal Council to call in an outside expert to investigate the waterworks situation in Shanghai was taken somewhat over a year ago following very pronounced agitation on the part of the Chinese community (and let it be added that a very large proportion of the foreign community supported the Chinese contention) that not only were the rates of the Water Company too high considering the services it rendered but that its method of assessing the rates was archaic. For many years it had been the custom of the Company to assess water rates on a percentage of the house rent, which in many cases worked out in a ridiculous manner, particularly in the business section of the city where the tenants paid very high rents but used very little water. One of the incidentals to this situation was that some years ago when a Shanghai lawyer was sued on his water bill—the case being allowed to come into court for publicity purposes—he argued that it would be cheaper to use aerated water for washing the floors as well as for drinking rather than to use the water supplied by the Shanghai Water Company.

The Shanghai Municipal Council at a recent meeting adopted the recommendations of the Waterworks Investigations Committee, which were as follows:

> 1. That the Commission adopts and recommends for the Council's acceptance Mr. Hill's findings that the charge for water is fair and reasonable and so far as they relate to the Company's organisation and the efficiency of its administration, and that certain other suggestions made by him and commented on by the Treasurer and the Commissioner of Public Works be made the subject of discussion between the Council and the Company having particular regard to the following points:
>
> 2. That the question of reduction in overhead expenses be left for negotiations between officials of the Council and of the Company.
>
> 3. That the Company be urged to continue its present policy where-under its capital requirements are raised in silver.
>
> 4. That in view of the reasons advanced by the Treasurer and the Commissioner of Public Works no increase be authorised in the amount paid for fire protection services.
>
> 5. That in connection with the charge to be imposed under the system of general metering a discrimination be made in favor of the poorer and smaller classes of consumer.
>
> 6. That no change be made in the terms of Clause 17 of the franchise agreement which stipulates that the Company's land cannot be written up beyond its assessed value.

The Review feels that, despite the report of Mr. Hill, whose ability is undoubted, the last word has not been said on Shanghai's water supply, this quite apart from the matter of maintaining the purity of the water, which is admittedly a difficult problem. The fact that at least one foreign member of the Council took exception to Mr. Hill's report in terms which appear to us fairly convincing, leads us to believe that this question of the service given to the community by the Shanghai Waterworks and the cost of same is bound to be ventilated more fully in the not distant future. The needs of the Shanghai community as regards water are tremendous and everything possible should be done to ensure that the community is served at a reasonable figure. We are far from convinced that such is the case, despite Mr. Hill's report and the Council's action in adopting same.

THE SPECIAL DISTRICT COURTS IN SHANGHAI

TUCKED on the inside of the Shanghai newspapers one day last week was a *Reuter* message from London stating that negotiations for the renewal of the agreement in connection with the establishment of the Special District Court at Shanghai on such terms as would provide fully for the independence of the court and the administration of justice were under consideration by the British Government. The question was brought forward by a Conservative member of Parliament who asked when the British Foreign Secretary would impress upon Britain's representatives in China the necessity of proceeding with the negotiations as soon as possible and not leave the matter until the last moment. This Conservative member suggested it was the difficulty these courts had in administering justice impartially that was one of the main causes of the recent troubles here. Sir John Simon replied that he appreciated the importance of the point and although the present agreement was not due for renewal until April, 1933, there was no reason that they should not get on with the matter.

Following close on this telegram, the *North-China Daily News*, senior British newspaper in Shanghai, printed a series of three articles on the subject, heading same rather disparagingly, "Those District Courts." The articles are valuable in that they give a condensed history of the development of the courts. It is to be noted in this connection that the District Courts now functioning both in the International Settlement and in the French Concession are absolutely Chinese courts, operating without any foreign influence whatever. This is in sharp contrast to the situation which existed in the Foreign Settlement, following the Revolution of 1911, when the Consular Body seized the Courts and put a Foreign Assessor of the nationality of the foreign plaintiff in charge of the court, with the Chinese Magistrate in a subordinate capacity. This situation, under which the Chinese community became very restive, existed until the May 30 incident occurred in 1925, when an effective boycott and strike carried on by the Chinese community resulted in the Courts in the Settlement being wrested from the domination of the foreigners. At that time the Court was known as the "Mixed Court." It was originally instituted in 1864 and was known by that name until it was reorganized shortly after the May 30 incident, when it took the name of the Provisional Court, with the Chinese Magistrate having the controlling power. The treaties originally made between the Foreign Powers and China in the sixties all provided that suits, whether civil or criminal, against foreigners should be tried in the consulate (or court) of the nation to which the foreigner belonged, and conversely cases against Chinese should be heard in a Chinese court. As the Shanghai Settlement was in a class by itself, the Mixed Court was inaugurated, under the provisions of the treaties, the Chinese magistrate trying the case, with a foreign assessor sitting with him on the bench. It is interesting to note that from the very beginning of the inception of this court it was the object of severe criticism from the foreign side, even the British Treaty of 1876 containing a paragraph to the effect that "the Chinese Government has established at Shanghai a Mixed Court but the Officer presiding over it, either from lack of power or dread of unpopularity constantly fails to enforce his judgments."

During the few years in which the courts were known as Provisional Courts, a certain amount of foreign participation in the trial of the cases was provided for, but it was so little that the great majority of the foreign lawyers who had enjoyed a most lucrative practice before the Mixed Court, particularly in the period from 1912 until 1925, when foreign assessors dominated the court, found their practice in this court all but brought to an end. The provisional regime was brought to an end by an agreement between the Chinese government and the Foreign Powers dated February 17, 1930, providing for the present purely Chinese administered Court, known in Chinese as Ti Fang Fa Yuen and in English as the Special District Court.

As was to be expected, foreign complainants have protested often and vigorously against the judgments given in the District Court. One of the criticisms of the Chinese procedure is that the rule which provides that the parties must try to come to an agreement among themselves serves to cause delay. This is doubtless true, but although this is not part of the Anglo-Saxon procedure it is a very common rule in courts on the Continent of Europe. It is also charged that Western and Chinese conceptions of justice are so far apart that much injustice is done to foreign plaintiffs. Without going into the merits of this last complaint it is pertinent to mention that during the time when the courts in Shanghai were under the domination of foreign assessors many instances occurred where grave injustice was done to Chinese litigants—according to all reports of a much more frequent and serious character than anything now charged against the present District Court.

However, to get back to the articles in the senior British newspaper. The suggestion is made by the author that there should be organized an international business court in Shanghai before which all cases concerning commercial transactions should be brought, regardless of nationality, and including Chinese. Such a court it is recommended should be presided over by a joint body of foreign and Chinese jurists. The author suggests that a specially compiled commercial code should be promulgated to serve as the law to be administered by such an international commercial court. The author notes in this connection that this Settlement now has amongst its population 43 nationalities, of which 14 possess extraterritorial rights; that is to say, there are 14 foreign Courts, each administering the laws of its country in cases in which the defendant is a national of that country. The most prominent of these Courts are the British Supreme Court and the United States Court for China. The existence of these Courts on Chinese soil has been one of the causes for discontent amongst the Chinese.

The criticism of the Chinese court on the basis of miscarriage of justice in connection with

cases growing out of the anti-Japanese boycott does not carry much weight with persons of intelligence who are familiar with the situation which prevailed at Shanghai prior to the Japanese military intervention. Obviously it would be expecting a great deal for a Chinese judge to render impartial decisions in the face of a near-war situation. Westerners who criticise the Chinese judges on this score forget how justice was rendered in cases involving enemy subjects in their own countries during the world war.

The establishment of an international commercial tribunal as above suggested would undoubtedly be an excellent thing in many ways, but apart from the fact that the Chinese Government is not likely to agree to any such court, it would undoubtedly be the case that the decisions of such a court would be subject to just as much complaint as have, for one reason or another, the decisions of the successive Mixed Court, Provisional Court and District Court, during the past three-quarters of a century. China is making rapid strides in cutting loose from all leading strings, and it will only be a question of a few years when non-Chinese living in this country will have to live here as foreigners in another land have generally to do throughout the world—that is, subject to the same laws and regulations as apply to the residents of that country, and without any special privileges other than those which courtesy to a stranger within the gates, as is frequently the case, accords.

MANCHUKUO AND THE JAPANESE SQUABBLE OVER DAIREN CUSTOMS

THE outstanding feature of the week in the Manchurian Customs situation in Manchuria was the invasion of the house occupied at Antung by Mr. R. M. Talbot, Chinese Commissioner of Customs on June 30, by the Japanese adviser with several Manchukuo police. They displayed arms and forced Mr. Talbot to hand over Customs archives. Mr. Talbot is an American citizen, whose home is at Dekalb, Illinois. He entered the Customs service in 1907 and was transferred to Antung from Shanghai several months ago. The story of the invasion of his house was related in the following telegram sent to Sir Frederick Maze, Inspector General of Customs at Shanghai:

> Although within Japanese controlled Railway Zone, Japanese Adviser with several alleged Manchukuo police in plain clothes and armed entered my house yesterday (30th June) and forced me to hand over archives, after display of arms.
>
> I protested, saying that such extraordinary action might cause serious international complications. Adviser said he had his orders and was prepared to ignore Japanese Consul and all other interests involved. Upon my sending a British Examiner on my staff to Japanese Consul next door for protection, only Vice-Consul was present and he stated he had no authority to act! Staff still on duty in Railway Zone, but three have been arrestel therein by Manchukuo police. As latter now have full run of Railway Zone I have given Consul written notice that I must withdraw staff if he cannot guarantee their safety. All Japanese, except Watanabe, have handed me their resignations. Manchukuo action here strongly indicates that they will accept no compromise of question. Staff in panic, adding greatly to difficulties of situation.

A second telegram from Mr. Talbot stated that as the Japanese Adviser had refused to permit him to carry on Customs work, even temporarily, he had withdrawn his staff; Mr. Talbot added that he had been assured by the Consul that there would be no repetition in the Railway Zone of such illegal Manchukuo activities as reported above.

As regards the situation at Harbin, Mr. Prettejohn, the Commissioner of Customs, made allegations that the Manchukuo authorities, under pressure from the Japanese advisers, were intimidating his staff. The Consular Body had been told by Mr. Prettejohn that Chinese and Russian members of the Manchukuo police, led by the Japanese Police Adviser, Mr. Yagi, visited the Chinese employees of the Harbin Customs and holding guns at the latter's heads, attempted to force them to sign documents pledging loyalty to Manchukuo and agreeing to remain at their posts in the Harbin Customs.

This charge of Mr. Prettejohn's had the result that the Harbin police visited him and warned him that unless he could prove the alleged "intimidation" of his staff, his statements in regard to this accusation would be considered libellous, and that in future such libellous statements would "result in the adoption of strong measures by the police." Mr. Prettejohn replied that if there had been no "intimidation" of his former staff, then the present forcibly enrolled staff should be allowed to quit. The police countered that this was entirely a matter for the new Commissioner of Customs to deal with. The Manchukuo government has appointed as a successor to Mr. Prettejohn, the former head of the South Manchuria Railway in Dairen, Mr. Kato. Most of the old staff are working under Mr. Kato, under "intimidation," as Mr. Prettejohn alleges. Half a dozen Chinese have remained loyal to Mr. Prettejohn, several others are in hiding. The Manchukuo government has appointed several Russians and Chinese, who had previously been in the service but discharged by Mr. Prettejohn, to fill up the gap.

The really important point in connection with this whole Cutoms imbroglio is how the situation at Dairen will be handled. It is at Dairen where most of the Customs duties are levied for the cargo which comes from foreign ports (and for Customs purposes cargo from other Chinese ports is "foreign" so far as Dairen is concerned) and which is transported north over the South Manchuria railway. Much is heard about the Customs house at Harbin, but the Customs house there has nothing to do with cargo coming from abroad and which enters Manchuria through the port of Dairen, as most of it does. The same remark applies to Antung, through which a considerable share of Japanese imports into Manchuria pass. The Harbin customs house only looks after local business and business on the Sungari river. The Japanese and Manchukuo, recent telegrams indicate, do not see quite eye to eye as regards Dairen. It would appear that both Manchukuo and the Japanese are anxious to avoid any international complications on the ground of protests from other nations that the security based on Customs revenue has been undermined by the seizure of the customs, but

the method by which the Manchukuo share of the amount required to meet foreign obligations is to be appartioned has not yet been agreed upon as between Manchukuo and the Japanese.

The Japanese plan, for apportioning the share to be paid on account of China's foreign indebtedness is that the Manchukuo authorities should control all the customs stations in Manchuria except that at Dairen, which China should retain for the purpose of covering foreign loan commitments, and that the authorities at Changchun should remit to Nanking sufficient funds to cover any deficit that Dairen failed to yield. The Japanese have informed the Manchukuo authorities that they would insist on this program, the Japanese Foreign Office having instructed the Japanese Consul at Changchun to tell the Chinese officials there that "it would be to the disadvantage of Manchukuo to refuse." The Manchukuo authorities have been making a futile attempt to get the Japanese to agree to a change in the plan on the following lines:

1.—That China should acknowledge the transfer to Manchukuo of all the Manchurian Customs offices, except that at Dairen.

2.—If jurisdiction over the Dairen Customs is handed over to Manchukuo, the revenues, minus those required for the service of foreign loans will go to Nanking.

3.—If not then all the revenues should go to Manchukuo, which will not hold itself responsible for the mortgaged portion.

4.—After the redemption of all foreign debts, jurisdiction over all the Manchurian Customs stations should be transferred to Manchukuo.

A statement issued by Mr. Sieh Chai-shih, Minister of Foreign Affairs for Manchukuo, at Changchun declared that Manchukuo is strongly opposed to allowing the Dairen Customs under Chinese sovereignty, since such action would ignore the independence of Manchukuo.

Having now related the details of the situaton as between the Japanese and Manchukuo in reference to the Dairen customs *The Review* considers it *apropos* to add that the above is how things appear on the surface. In all probablity the whole thing is engineered by the Japanese as a convenient means of eventually placing themselves in a position to adopt either one course or the other, all depending on what they may feel is expedient in the light of future developments.

Sir Frederick Maze, Inspector General of Customs, issued the following statement July 4:

Owing to the seizure of the customs revenue in Manchuria by the so-called Manchukuo authorities, customs revenue receipts for June have fallen sharply. Total payments for loans and indemnities during the month were Sh. Tls. 12,935,384.62 and total remittances received were Sh. Tls. 12,827,744.51, thus causing a deficit of Sh. Tls. 107,640.11, instead of the usual surplus. A slight further falling of the revenue due to any one of a number of causes will thus affect the payment of customs commitments.

Pointing out the effect of the seizure of Manchurian customs as affecting customs commitments, the inspector-general stated that taking the average of the last five years (1927-1931), the total maritime customs collection was H. K. Tls. 143,048,541: collection of Manchurian ports H. K. Tls. 19,910,017; total cost of loans and indemnity H. K. Tls. 125,144,439; and Manchurian proportion of loans and indemnities H. K. Tls. 17,418,103.

Sir Frederick also said that the Chinese Government is unable to subscribe to the doctrine enunciated in the House of Commons Monday by Captain Anthony Eden, under secretary of state for foreign affairs, that the "Dairen Customs Agreement only concerned the establishment of the Chinese Customs in Dairen for the prevention of smuggling."

***

Sir Ferderick Maze added:

The terms of this instrument indicate that the functions of the Dairen Customs are, *mutatis mutandis*, similar to those obtaining in the treaty ports of China; and while the prevention of smuggling in Dairen, as elsewhere, is of cardinal importance, the primary object of all customs administrations is the collection of revenue. The contravention of the agreement by Japan, therefore, is not merely a question of a potential loss of duty by placing a premium on smuggling, which is now rampant in Dairen, but results in actually reducing China's fiscal income, thereby jeopardizing the stability of the obligations secured on the customs.

Reprisals upon Dairen so as to secure compensation for the loss of the Dairen customs revenues, it is understood will be sought by a levy at Shanghai and other ports in the China proper on goods destined for Dairen. This plan would not affect goods shipped direct to Dairen from outside of China, but merchants importing merchandise to Manchuria via China would have to pay double rates, as duties are also collected at Dairen. Such measures are recommended by Mr. Wang Ching-wei, president of the Executive Yuan, Dr. Lo Wen-kan, minister of foreign affairs and Mr. T. V. Soong, minister of finance.

China Will Not Compromise on Dairen Customs Issue

With reference to a *Reuter's* report from Tokyo that the Japanese Government is proposing a compromise for the settlement of the Manchurian Customs crisis, whereby Manchukuo is to control all customs stations in Manchuria, while China is to retain that at Dairen for the purpose of covering foreign loan commitments, official quarters at Nanking are quoted by *Kuo Min* as stating that the National Government will under no circumstances accept any such compromise. It is pointed out that Manchukuo is entirely a creation of the Japanese authorities and that it is at the latter's behest that the Manchukuo authorities have forcibly taken over Chinese Customs stations in Manchuria. For the National Government to accept any such compromise as suggested by Tokyo would be tantamount to the recognition of the illegal action taken by the puppet authorities. Whatever pressure the Japanese Government may bring to bear upon China, the National Government will never agree to any such lettlement. The Government, on the other hand, is fully determined to recover control over the Chinese Customs houses in Manchuria and at Dairen and to hold Japan responsible for all the consequences of the high-handed action taken by her puppets in Manchuria, it is stated.

Manchuli Customs Surrounded by Japanese

The officer in charge of the Chinese Maritime customs at Manchuli, a sub-office of Harbin and located on the Chinese Eastern railway on the Siberian border, reporte that on June 3 he was unable to get in touch with Harbin, that his office has surrounded by Japanese police and seized, and that the immediate evacuation of the Customs staff is necessary.

China to "Blockade" Manchukuo Post Offices

The enforcement of what might be described as a "postal blockade" against the puppet Manchukuo in the event of the latter carrying out its contemplated plans for the forcible seizure of the Chinese Postal services in Manchuria was urged by the Ministry of Communications in a

cable despatched to the International Postal Union at Geneva June 30.

The message informed the Postal Union that under instigation by the Japanese authorities, the puppet Manchukuo government contemplated the forcible taking over of the Chinese Post Offices in Manchuria on July 1. The message declared that in such event, the National Government would order all Chinese Post Offices in Manchuria to be closed down and all postal communication with Manchuria to be suspended. It requested that the Postal Union take effective action in accordance with the International Postal Convention to prevent and check the illegal exercise by the Manchukuo authorities of international postal privileges as stipulated in the Convention. The message further declared that in the event of the Manchukuo carrying out such high-handed action, all mail matter destined for American and European countries hitherto transported via Manchuria would be dispatched by sea routes.

Concluding, the message pointed out that since Manchukuo has not been internationally recognized, it is incumbent upon the International Postal Union to notify all its member-States to refuse to accept for delivery mail matter bearing the postage stamps of the puppet state. So far the Manchukuo postal service has not "seceded."

China and Soviet Russia Drawing Closer Together

After a long period of inactivity, the Chinese mission in Moscow has shown much animation of late. The chief assistant of the Chinese mission, according to a recent *Reuter* dispatch, is now negotiating with representatives of the Far Eastern department of the Soviet Foreign Office regarding mutual recognition and the drawing up of a non-aggression pact such as Russia has signed with several of her neighbors. Recently Russia initialled such a pact with Poland and it is possible this may be signed soon, in which case other countries may start negotiating for a similar pact, particularly Rumania, because they are now waiting to see what Poland's move will be before they make decisions themselves.

Re-establishment of mutual recognition between the U. S. S. R. and China, and the drawing up of a treaty of non-aggression, were the subjects of discussion at a conversation held in Moscow June 29 between Wang Tsin-sze of the Chinese delegation in Moscow and M. Kozlovsky of the Far Eastern Department of the Soviet Foreign Office. It was indicated that the view-points of Moscow and Nanking have drawn steadily closer of late, and that a definite official development might be anticipated in the near future.

Shanghai's "Spokesman" and the Die-Hards

THE Shanghai Municipal Council, administrative organ of the International Settlement, now has a "spokesman" whose name remains secret but who, according to popular report, is none other than Mr. Stirling Fessenden, Secretary-General. However, since we have no authoritative information on the subject we will continue to call him the "spokesman" of the Settlement. At any rate he is a high official of the local foreign administered municipality who has seen fit on several recent occasions to take issue with that small minority in Shanghai which has in recent years earned the name of "die-hard" with all the opprobrium that is popularly attached to that cognomen.

Two weeks ago (June 25) *The Review* referred to an interview with "Spokesman" which appeared in *The China Press* wherein it was pointed out that the "free-city-scheme" which was promoted by the Japanese in association with certain Shanghai die-hards, had little or no chance of success because it conflicted with the Nine-Power Treaty signed at Washington which guaranteed the political, administrative and territorial integrity of the Chinese Republic. But while opposing the free-city-scheme and criticizing its promoters, the spokesman of the Settlement favored an international arrangement whereby both China and the Powers would agree to the permanent "demilitarization" of the Shanghai district. He advocated that such an arrangement would go far toward solving many of the vexatious problems existing at Shanghai.

The reason we suspected Mr. Fessenden as the Settlement's anonymous "spokesman" was due to a report which appeared in the Japanese propaganda *Press Union* service on July 2 stating that Mr. Fessenden, Secretary-General of the Council had called on Mr. K. Murai Japanese Consul-General, and that the conversation had dealt with the outside road issue. Then a few days later the *Shanghai Nichi-Nichi*, local Japanese daily, published a strong criticism of the agreement which the foreign settlement authorities supposedly have made with the Chinese municipal authorities of Greater Shanghai for an adjustment of the long controversy over the control of the so-called extra-settlement roads. The terms of this agreement never have been made public, allegedly due to the fact that they are now being considered by the Nanking Government and the interested foreign ministers at Peiping. But according to popular report the International Settlement authorities have tentatively agreed to surrender police control over these roads to the Chinese who in turn have agreed to organize a special police service in the area, said police service to be headed by foreign experts who will be employed by and paid by the Chinese authorities connected with the Municipality of Greater Shanghai.

It has only been for ulterior political purposes that the so-called outside-roads question has been magnified into an international issue by certain interests which hoped in this manner to extend the borders of the International Settlement. The free-city-scheme was also a step in the same direction, the object being to take advantage of the Japanese military adventure to carve out more Chinese territory and add it to the International Settlement. To put it briefly the so-called outside roads are nothing more than thorofares which have been extended from the borders of the Settlement into the adjoining Chinese territory. The construction of the roads and acqusition of the necessary land was financed by the Settlement, the local foreign authorities being able to do this through a clause in the Land Regulations (city charter) which allegedly gives them the right to construct such roads. But the Settlement authorities, under pressure of local foreign real-estate interests, have far exceeded the spirit of the Settlement's legal rights in connection with the road issue by driving new streets far afield into Chinese territory and then blocking out vast districts for real-estate exploitation. Only by a far stretch of the imagination could such roads be considered necessary to the welfare of the Settlement. The natural result has been the creation of wholesale suspicion among the Chinese as to the good-faith of the Settlement—which suspicion has been accompanied by numerous incidents which have been responsible for most of the Sino-foreign complications here. It

was these same foreign real-estate interests which secretly encouraged the Japanese to embark on their disastrous military adventure at Shanghai last January.

To be entirely fair to all interests concerned it should be explained that there is no intention here to dispute the fact that Shanghai is a growing city. As a direct result of disordered conditions in the interior of the country and of the fact most of China's trade passes through Shanghai, the city has enjoyed a rapid increase in Chinese population and investment. But from the standpoint of the actual trader, that is the man who is interested in buying and selling foreign manufactured goods or exporting Chinese products abroad and the man who is interested in the financing of these transactions and auxiliary enterprises, this outside-road question is of not the slightest interest. There is plenty of room within the present borders of the International Settlement for him to live and conduct his business. If for some reason he desires to reside far out in the country where more space is available there is no reason why he should not be permitted to do so, but on the other hand there is no logical reason why the Settlement authorities should follow him out into the country and extend police protection, particularly if such an action precipitates serious complications between China and the Powers. The man who desires to buy property and construct a home outside of the Settlement in Chinese-administered territory should be permitted to do so, but as stated he should not expect the Settlement to follow him up and extend police protection. He should submit himself to the police protection of the Chinese authorities in whose territory he resides, otherwise the situation becomes a pernicious one that has no ending and if supported by the Powers ultimately would result in the indefinite extension of the borders of the foreign administered area to a point where it ultimately would provoke open warfare between the Settlement and China. The recent Japanese intervention here which was an attempt on the part of the Tokyo General Staff to apply Manchurian methods to the Yangtsze Valley indicates what is likely to happen in the event the International Settlement continues to permit certain local real-estate dealers to dictate its policies.

In "Spokesman's" most recent statement, he declared that both Great Britain and the United States have signified a willingness to have the outside-road issue settled locally, meaning by this that the International Settlement authorities should adjust the question with the Chinese authorities of Greater Shanghai to the mutual satisfaction of both parties. In accordance with this idea the recent negotiations were instituted and as stated a tentative agreement has been reached whereby the outside-roads would be handed over to the Chinese and the Chinese in turn would agree to the creation of a special police service to be controlled by the Chinese who would utilize foreign experts in the administration. Although the agreement awaits ratification by the National Government and the diplomatic representatives of the Powers concerned, the authorities of the local Chinese municipality appear satisfied that China's interests have been protected in the arrangement.

But the die-hards are not satisfied, or at least we assume this to be the case for the Settlement's Spokesman was quoted as declaring,

"IF THESE DIE-HARDS, WHO ARE THREATENING TO IMPEDE IMMEDIATE AND LOCAL SETTLEMENT OF THE OUTSIDE ROADS QUESTIONS, DO NOT STOP MEDDLING IN AFFAIRS IN WHICH THEY ARE GROSSLY IGNORANT, NEGOTIATIONS WILL HAVE TO BE SURRENDERED TO NATIONAL GOVERNMENTS AND THE SHANGHAI FOREIGNER WILL SUFFER....NEGOTIATIONS ARE AT PRESENT PROCEEDING TO A SATISFACTORY SETTLEMENT FOR ALL PERSONS CONCERNED—BOTH CHINESE AND FOREIGNERS—BUT THERE ARE A NUMBER OF SHANGHAI BUSINESSMEN ATTEMPTING TO INTERFERE WITH THE ACTION NOW BEING PLANNED. THESE MEN ENTERTAIN OPINIONS OF THEIR AUTHORITY AND KNOWLEDGE OF THE SITUATION; WHEREAS THEY ARE IN REALITY COLOSSAL IGNORAMUSES ON THE LEGAL AND DIPLOMATIC ISSUES INVOLVED IN THE OUTSIDE ROADS QUESTION. THEY FORGET THAT EXPERTS WHO HAVE AN INSIGHT INTO THE OUTSIDE ROADS PROBLEMS THROUGH YEARS OF PROFESSIONAL STUDY OF THEM AND WHO MAINTAIN THEIR POSITIONS BY VIRTUE OF THEIR ABILITY TO HANDLE MUNICIPAL AND INTER-MUNICIPAL AFFAIRS, ARE EMPLOYED ON BOTH SIDES OF THE ISSUE."

Continuing in less picturesque, but nevertheless still emphatic terms Spokesman declared that the bulk of the responsible people in Shanghai are in favor of having the outstanding issues settled immediately. But there are a few persons "who enjoy declaiming what should be done from club rooms, bar-rooms, on the street and in casual office conversation. Their opinions are absorbed and disseminated by susceptible individuals, who do not recognize the fact that the orator's only qualification for expressing an opinion on the subject is the volume of his voice." Finally, Spokesman declared that if the present negotiations are blocked by the said die-hards, he foresaw withdrawal of power from municipal hands and its transfer to the various national governments in the event satisfactory action is not soon effected. In conclusion he declared that in the event the outside roads-question becomes an international instead of an inter-municipal issue that the foreign governments stood a good chance of losing their present powers and control and worse, might also lose their present prestige and authourity in the International Settlement.

When the Settlement's spokesman uttered these words he knew whereof he spoke for this is exactly what *nearly happened* in 1925 when the Powers, acting through the Peking Diplomatic Body recommended the dissolution of the Municipal Council and the taking over of control of the Settlement directly by the Powers concerned. Had that been done the so-called Shanghai Question would have been settled to the mutual satis-

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Japan's Interference With Foreign Journalists In North Manchuria

THERE have been four open attempts by the Japanese military authorities and their puppets of Manchukuo to interfere with the work of foreign journalists and news photographers in North Manchuria.

Case No. 1

The latest incident had to do with Mr. Martin Rikli, news photographer sent to Harbin by the German Ufa Film Company. Mr. Rikli arrived in Harbin the latter part of June and obtained permission from the Japanese military mission to take pictures, and was provided with a Japanese interpreter. The interpreter escorted Mr. Rikli to the Japanese airdrome in Harbin and the filming of the scene was started. Shortly afterward, however, Mr. Rikli was arrested by the Japanese military police, taken to the gendarmerie headquarters where he was cross-examined by a Japanese officer for three hours while a Japanese soldier stood guard with fixed bayonet. Mr. Rikli was charged with being a spy, but later on he was released and informed that his arrest had been due to a "misunderstanding."

Case No. 2

On the final day of the League Commission's stay in Harbin, Mr. Edward Hunter, representative of Hearst's *International News Service*, was walking along Kitaiska street in the direction of the Moderne Hotel when he felt a tug at his arm from behind. Apparently thinking it was one of the numerous beggars that infest Harbin streets, Mr. Hunter did not stop but proceeded into the hotel. Later on in the afternoon, Mr. Hunter was informed that the man who had attempted to stop him was a Manchukuo policeman, so he protested to the police officer who was in charge of the horde of policemen and detectives assigned to the vicinity presumably for the purpose of protecting members of the League Commission who lived at the hotel. At 11 o'clock that night Mr. Hunter was sitting in the hotel lobby with Mr. James Howe of the *Associated Press* and Mr. Walter Young, an American expert connected with the League Commission, when a squad of Manchukuo police entered the lobby and informed Mr. Hunter that he was charged with "despising Manchukuo police and beating up members of the police force," hence would have to be arrested. Mr. W. W. Astor, a British member of the League Commission, who also was in the lobby saw the incident and sent word to Mr. George Hanson, American Consul-General who happened to be in the hotel at the time saying goodbye to Gen. Frank McCoy, American member of the Commission. Mr. Hanson immediately came down and informed the Manchukuo police as well as the Japanese adviser that if any charges were to be brought against Mr. Hunter they should be made in formal manner and a session of the American consular-court convened.

The police interpreter, a Japanese, then showed Mr. Hanson a copy of one of Mr. Hunter's messages which had been sent about ten days previously and declared that the message was "anti-Manchukuo." Mr. Hanson examined the message and explained to the Japanese that while the message may have been "against" Manchukuo, it was nevertheless a correct statement of facts. In order to avoid further molestation, Mr. Hunter went to the American Consulate-General where he remained for the night as the guest of Mr. Hanson. The next morning Mr. Culver Chamberlain, Consul, went to the police headquarters and lodged a complaint. The police chief denied that any attempt had been made to arrest Mr. Hunter, but produced copies of Mr. Hunter's messages and complained they were "against" Manchukuo. According to the report of the incident which was sent to *The Review* by neutral sources in Harbin, the motive behind this incident was obvious—the intimidation of a correspondent who was attempting to send accurate reports regarding happenings in North Manchuria.

The foreigners in the picture are A. R. Lindt (left) correspondent for the *Deutsche Allgemeine Zeitung* and Archibald Steele of the *New York Times* whose complications are discussed in the accompanying article. The Chinese soldiers shown are North Manchurian Volunteers who are now fighting the Japanese. The picture was taken on the trip which Steele and Lindt took from Harbin to interview Gen. Ma Chan-shan.

Cases 3 and 4

These two incidents are lumped together because they involved two correspondents, Dr. A. R. Lindt, a Swiss citizen, who represents the *Deutsche Allgemeine Zeitung* and Archibald Steele of the *New York Times*. Mr. Hunter was also indirectly involved in the Lindt-Steele cases due to Mr. Hunter's carrying some Chinese notes from the Moderne hotel to the American consulate for translation by a Chinese clerk attached to the American Consulate-General.

According to the report of these cases, most of which is taken from the *Harbin Daily News*, an American paper, Steele and Lindt made a hazardous trip from Harbin to the military headquarters of Gen. Ma Chan-shan, the Chinese loy-

alist commander who has been fighting the Japanese with indifferent success since October of last year. They departed from Harbin while the League Commission headed by Lord Lytton was in the city and after an absence of some seventeen days returned to Harbin on or about June 15. Upon their arrival at the hotel they handed the Chinese shorthand notes of their interview with Gen. Ma to Mr. Hunter of *International News* and asked him to take them to the American Consulate-General for translation by the Chinese clerk employed for this purpose.

The fact that the Japanese military commander in Manchuria, Gen. Honjo, had refused to grant permission for members of the League Commission to visit Gen. Ma Chan-shan, had a definite bearing on the case because Messrs. Steele and Lindt, immediately upon their return to Harbin were charged with being spies for the League and for Marshal Chang Hsueh-liang, former Manchurian ruler who is now in Peiping. Both Steele and Lindt had informed their respective consulates of their intention to interview Gen. Ma prior to their departure, and both reported to their consulates on the day following their return, but this didn't prevent the Japanese military and the Manchukuo police from placing both under technical arrest and demanding their documents be handed over for translation. As soon as Mr. Hanson, American Consul-General and M. Louis Reynaud, French Consul-General (representing Swiss interests) learned of the situation from highly biased reports appearing in the Japanese-controlled newspapers, both lodged official protests with the Japanese and Manchukuo authorities but this didn't prevent the Japanese from magnifying the incident and making serious charges against both the correspondents as well as the foreign consuls.

An example of this is shown in a translation from the Japanese-controlled Russian language paper, *Zaria*, which appeared in the *Harbin Daily News*. This article charged that the two correspondents "without the authority of either the Japanese or Manchukuo had secretly proceeded to the headquarters of Gen. Ma somewhere near Hailun and spent three days with him working against the interests of Manchukuo." The article then charged that Gen. Ma had turned over to the correspondents various documents addressed to the League and to Marshal Chang Hsueh-liang. The article did not state what these documents were, but another report stated one was a sort of "open letter" to the League which Gen. Ma had written in the hope of having it published in the newspapers. And since neither Steele or Lindt could speak Chinese, Gen. Ma had permitted them to take along with them the notes in Chinese which his secretary had made during the interview.

As soon as Steele and Lindt were informed of these reports in the Harbin newspapers they went to their respective consulates and remained there for several days while the complications were being handled through official channels. The consuls had all the documents translated and in due course informed the Japanese that they contained nothing further than any correspondent might obtain in the course of an interview. But the Japanese continued the agitation, an article in the *Zaria* demanding, "Why should the American Consulate be interested in the transmission of documents from Gen. Ma? What guarantee is there that even if Lindt turns over the documents to the authorities that they are the real documents? If the American Consulate were convinced that Steele was not engaged in espionage against Manchukuo, it would of course aid the local authorities in their search of Steele, but this has not been done. So far as the journalists are concerned, as soon as the government has collected sufficient evidence to prove their anti-Manchukuo activities they will undoubtedly be requested to leave the country immediately and for ever."

According to a further report of the incident which was received by *The Review* from neutral sources in Harbin, all local newspapers in the city received orders to send representatives to the police headquarters at 5 o'clock on the afternoon of June 16 and when they arrived they were compelled to listen to a lecture on the misdeeds of foreign correspondents and the American Consulate-General. The reporters were ordered to print the report, but not to quote the police, merely stating the information was obtained from a "high Manchukuo source."

Mr. Hanson, American Consul-General, on June 18 lodged a strong protest with the Japanese authorities and demanded a retraction of an allegation appearing in the statement that the American diplomatic code had been used to transmit messages from Steele to Gen. Chang Hsueh-liang. On the previous afternoon, a Japanese named Sergei Sugihara, who is in charge of the Harbin office of the Manchukuo government, visited the American Consulate-General and demanded that Steele prove he was not a spy for the League Commission. Mr. Hanson obligingly offered to cable the League at Geneva to obtain the information desired by the Japanese intelligence officer, but the Japanese replied, "How can anybody believe the League; of course they will deny Steele's connection." Mr. Sugihara, prior to his present connection with the Manchukuo government was a secretary to the Japanese consulate in Harbin. He is familiar with the Russian language and before quitting the Japanese consulate started the *Harbin Times* a blackmail, propaganda sheet published in Russian, which is registered at the Japanese consulate in Harbin. The paper was started shortly following Gen. Honjo's occupation of Mukden and other Manchurian cities on September 18 of last year. The nominal editor of the paper for several months was a well-known White Guardist.

An amusing sidelight on the complications of Steele and Lindt was provided as a result of the Japanese search of Lindt's room at the Moderne hotel. Among Lindt's papers which were seized by the Japanese was a personal notebook containing the names and addresses of several of Lindt's women friends in Europe. This list inspired the Japanese to issue a report that they had discovered a widespread plot on the part of the League and Marshal Chang Hsueh-liang "who had female representatives all over Europe."

After dragging on for practically a month it

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$5,000,000 Bonds to Finance War on Communists

ALTHOUGH Mr. T. V. Soong's recent resignation of his post of Minister of Finance was based on the premise that it was not expedient to attempt to crush the Communist menace by force of arms and at any rate the National Government was not in a position to finance such a campaign, a decision to raise four or five million Chinese dollars by the issue of bonds for the purpose of financing a war on the Communists was reached at a conference of the government leaders in the course of a dinner given by Mr. Soong at his home in Shanghai on July 3. Mr. Soong had in the meantime withdrawn his resignation. Among those who attended the dinner and took part in the discussions were Mr. Wang Ching-wei, president of the Executive Yuan; Mr. Lo Wen-kan, minister of foreign affairs; General Ho Ying-ching, minister of war; General Li Chi-sen; Mr. Quo Tai-chi, minister to Britain; Mr. Chu Chia-hua, minister of education; Mayor Wu Te-chen, and Mr. Chen Chang-ming. According to a statement made previous to the conference by President Wang Ching-wei, the conference of the government leaders was held in Shanghai, and not at Nanking, owing to the fact that Mr. Soong could not find the time to proceed to Nanking owing to pressure of work here incidental to the Manchurian and Dairen customs crisis. Various other important national problems were also discussed at the conference, but the only decision reached was that of issuing bonds to finance the campaign against the Communists. The nature of the security has so far not been announced.

The National Government in the meantime has before it the delicate problem of deciding whether it shall resume relations with Soviet Russia even though it at the same time carries on a military campaign against the Reds in China. In view of the Japanese aggression in Manchuria there is a growing sentiment among many prominent Chinese to placate the Soviets in view of the possibility of a Sino-Soviet military campaign against the Japanese. The plan to recognize the Soviets is however far from being unanimously supported. For example one of the opponents of such an idea is General Ho Chien, chairman of the Hunan provincial government, who in a strongly worded petition recently sent to Nanking opposed the proposed resumption of relations with Russia on the ground that the Soviets are responsible for the Communist menace in China. As regards the campaign against the Communists in South China all eyes are turned to the Nineteenth Route Army which the Canton government has promised to support with a monthly contribution of $200,000.

Speaking at his first weekly memorial service at the Commander-in-Chief's Headquarters of the Bandit-suppression forces for Honan, Hupeh and Anhwei at Hankow July 6 General Chiang Kai-shek urged that the bandit gangs should be sternly suppressed by the military forces while the "invisible" bandit peril should be tracked down and fundamentally eradicated. "It behoves us to exterminate both the visible and invisible evils so that the plight of the people may be mitigated and peace and order restored in the different localities," General Chiang said.

General Ho Ying-chin, Minister of War and concurrently Commander-in-Chief of the Bandit-Suppression Forces for the Kiangsi-Kwangtung-Fukien Border Regions, expressed optimism regarding the anti-Red campaign when interviewed by press correspondents upon his arrival at Nanking July 1 from Kiangsi. Despite the apparently insurmountable difficulties to be encountered in such an extensive undertaking and against such desperate outlaws, General Ho expressed the belief that the extermination of "Red" banditry is merely a question of time. In order to counteract the "hide-and-seek" tactics of the bandits who take advantage of the wide extent of territory, General Ho stated that plans have been formulated, assigning definite areas in Kiangsi and Fukien to various units. Moreover, political means will be employed hand in hand with military force; local militia corps will be organized in territories recovered from Red control, and roads constructed to facilitate military movements as well as for future developments of the areas.

Definite plans for co-operation among the various Government units in the bandit-suppression campaign in Fukien and Kiangsi are reported to have been reached between General Tsai Ting-kai, Commander of the 19th Army, General Li Tsung-jen, Commander of the Kwangsi Provincial Forces, and General Chen Chi-tang, Commander of the Kwangtung Provincial Forces.

Government forces engaging in the bandit-suppression campaign in western Anhwei are combing the eastern bank of the Pi Ho (River) for "Red" bandits, according to a military despatch from that area. The 1st Division under General Hu Tsung-nan and the 4th Division under General Hsu Ting-yao have jointly defeated the bandits under Hsu Chi-jen, thus causing the withdrawal to Honan of the so-called 4th "Red Army" under Kwang Chi-hsun.

Hupeh and Honan forces are reported to be busily engaged in the suppression of the "Red" bandits on the Liulin-Hsiaochiakang section of the Peiping-Hankow Railway. This section, which is about 70 miles long, was attacked and occupied by the brigands under Kwang Chi-hsun last week.

As a result of a concerted drive launched by the Government forces along the Honan-Hupeh border, the "Red" bandits under Kwang Chi-hsun on the Kwangshui-Sinyang section of the Peiping-Hankow Railway have been defeated and driven off to the mountains.

Rewards and Punishments in Connection With Bandit Suppression

Regulations governing the reward or punishment of troops engaged in bandit-suppression campaigns have been promulgated by the Ministry of War. According to these rules, the extreme penalty will be meted out to soldiers who fail to advance, retreat without orders, are negligent in their duties, oppress the people or desert their posts. Suitable awards will be conferred upon those who succeed in quelling the bandits within a specified period or who, by clever tactics, bring about the defeat or extermination of any large body of Communist bandits.

Gen. Chiang Kai-shek, in a recent statement at Hankow declared that he would remain in the Hankow area until banditry was completely eradicated. He said that unless this object was attained he would not return to Nanking. The latest indications were that he would proceed to Changsha. The General declared that the communist and bandit menace was a grave concern in the destiny of the Chinese nation. He expressed the hope that the officers and men engaged in the bandit suppression campaign would do their utmost to exterminate the menace.

A Hankow message states that in order to facilitate the suppression of the "Red" bandits in the three provinces of Honan, Hupeh and Anhwei, Government forces participating in the campaign will be divided into three large columns.

General Chiang Kai-shek will himself take the post of Field-Commander of the Central column with General Liu Chih, Director of the Kaifeng Pacification Headquarters, as Vice-Commander. General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, and General Hsu Yuan-chuan, Pacification Commissioner for Hupeh, will be concurrently Field-Commander and Vice-Commander of the Left Wing forces. General Li Chi-shen, Vice-Commander-in-Chief of the Bandit-suppression forces, will be in charge of the Right Wing, with General Wang Chun, Commander of the 3rd Army, assisting.

Reports concerning the occupation of Liuan, western Anhwei, by the Government forces have been confirmed. General Wang Chun, Commander of the 3rd Army, is now in the city directing operations against the brigands.

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The Sino-Japanese War at Shanghai: A Retrospect

BY HOH CHIH-HSIANG

(Concluded from last week)

This is the third and concluding installment of the series of acticles on the Sino-Japanese war at Shanghai. In the first installment, the circumstances leading to the outbreak of the war and details of the hostilities during the first three weeks were described. The second installment dealt principally with the details of the gigantic "general offensive" conducted by Lt.-Gen. Uyeda, covering the period from Feb. 20 to 22. This last installment describes the closing phase of the war and the circumstances which led to the final withdrawal of the Chinese defense force from the Shanghai area.

DESPITE the heaviest fighting during the three days from Feb. 20 to 22, the Chinese defence force had again emerged successfuly and survived the vigorous offensive of the Japanese Army conducted under the personal supervision of Lt-Gen. Uyeda. Indeed, the Chinese had suffered severe reverses and enormous casualities, but had not been driven away from the Shanghai area. The ability of the Chinese to continue to hold out under the ruthlessness of the Japanese formidable armament constituted a standing amazement to the world.

Japanese losses during the three days had been equally heavy and made it imperative to appeal to their home government to dispatch more reinforcements. Pending arrival of fresh troops from Japan, no serious warfare occurred, except the battle of Siaochangmiao which occurred on Feb. 26.

On Feb. 23, Paitsichiao on the Chapei front was made a target of an artillery attack and on the following day, a squadron of Japanese air-bombers raided the positions of the 60th Division, loosening a large number of explosives, inflicting considerable damage. As a result of the bombing, more houses on Chinyun and Paoshan Roads in Chapei were shattered and collapsed. At Siaochangmiao, a point just a little distance away from Miaohangchen, the Chinese scored a minor victory over the enemy, taking captive six Japanese soldiers and one ranking officer during a brisk encounter in which Gen. Chang Yen, vice-Commander of the 60th Division personally participated.

Owing to the heavy losses during the past few days, the 88th Division of the Left Wing Defense was ordered late in the night of Feb. 24 to retire to the rear for rest and readjustment, while the defense of the Miaohangchen front was simultaneously taken over by the 61st Division and 156th Brigade of the 78th Division under Gen. Sun Yuanliang. Gen. Sung's Brigade of the same Division which had previously crossed the Wentsopang Creek to join the offensive on Feb. 22 again retired beyond the Creek to its orginally assigned position.

During the days between Feb. 25 and 26, Chapei was fairly quiet, though artillery shelling occurred at frequent intervals. Feb. 26 was featured by the battle of Siaochangmiao on the Kiangwan front. Detecting the weakness of the Chinese defense at the Miaohangchen-Siaochangmiao sector, the Japanese Army and Air Force suddenly launched a concerted attack on the Chinese garrison at 8 o'clock in the morning. After 9 a.m., a concentrated artillery fire was aimed at Chinese positions at Chinmuchiao Bridge (on Kiangwan front) and in the course of barely one hour, over 200 shells were dispatched. The Chinese garrison at this point, comprising one Regiment under Col. Ku of 61st Division, was severely shaken by the furious fire and was in a critical situation. Fortunately, the 6th Regiment of the same Division rushed to the front in time and arrived opportunely to avert the crisis. At 4 o'clock in the afternoon, the enemy renewed an artillery attack, which was followed by an onslaught of over 1,000 infantrymen. Targetted by a continuous tremendous fire, the Ku Regiment sustained terrible losses and was almost decimated to the last man. After putting up a desperate resistance, it had to give way before superior force. Presently, one regiment of the 78th Division was dispatched to the front and at the same time, another detachment of the 60th Division executed a flank attack from Yenkaichih (in Kiangwan), dealing a heavy blow on the enemy. At 6.30 p. m., the Chinese pushed up their advance to the vicinity of Siaochangmiao, but because of the obstruction works of the enemy, did not attempt to make further progress.

During the two days of fighting, the Japanese suffered heavy casualties estimated over 2,000, while Chinese losses of the 61st Division were as heavy, due to the terrible artillery fire.

On Feb. 25, the situation at Kiangwanchen continued to be tranquil. But since Feb. 20, practically all the houses at Kiangwanchen were either burnt or demolished. Further, as the enemy had occupied Siaochangmiao, Kiangwan could no longer be held and had to be abandoned on the morning of Feb. 26.

The Left Wing front was comparatively quiet during Feb. 25 and 26. The 88th Division which rested on Feb. 25 again advanced to the front on Feb. 26 and relieved the units of the 61st Division which was in defense of the line during its retirement.

All was quiet at Woosung except a heavy bombardment on the Szetsiling Forts and Paoshan Walled City on Feb. 26.

During Feb. 27 and 28, fighting practically ceased. The tremendous casualties on the part of the Japanese had incapacitated them to take offensive actions and necessitated the call for more reinforcements. The combined air, land and naval force with all their formidable modern armament having time and again tried and failed, the Japanese determined to overwhelm the Chinese with superiority of numbers. In order to make another desperate effort to save their lost prestige, the enemy dispatched four more Divisions, the 11th, 14th, 1st and 16th to Shanghai with a veteran China aggressor, Gen. Shirakawa as the chief in command. This was the fourth time since the opening of hostilities here that the Japanese changed their command. The 11th Division, the first portion of the huge reinforcement, arrived at Shanghai on Feb. 27 together with Gen. Shirakawa, but remained quiet and kept their movement a secrecy. The Japanese Headquarters had apparently decided upon new tactics and were perfecting preparations for fresh operations. Hence there was no serious fighting during Feb. 27, although Japanese scouting planes made several observation visits in Chinese rear positions at Soochow and Kunshan. Quiet continued to prevail on the following day, but dozens of Japanese warships were seen pulling a large number of commandeered Chinese canal boats toward the direction of Liuho on Yangtsze Mouth. On the same day, the Japanese made public their threat to blow up the Shanghai-Hangchow and Shanghai-Nanking Railways at strategic points to prevent the transportation of Chinese troops on the two lines.

Fighting on a minor scale was resumed on Feb. 29. Early in the morning of the day, the Japanese opened an artillery attack on Chapei. At noon, a party of Japanese infantrymen preceded by an array of tanks made a strong bid to dislodge the Chinese guards at the North Station, but their attempt was greeted with a concentrated fusillade of machine gun bullets. After sustaining a dozen casualties, the attacking party was cowed and speedily withdrew behind their lines.

On the Left Wing, a brisk encounter occurred with the 88th Division which had again taken up positions at the Miaohangchen front. About 9 o'clock in the evening, the Japanese brought field-artillery into play, shelling the defenses of the Division. It was estimated that during a short space of one hour, over 300 shells were discharged. When the shelling ceased, the Japanese started a heavy rifle shooting and machine gunning. For a while, firing was very intense and fighting assumed serious proportions. After a duel lasting more than one hour, the Japanese fell back and firing ceased with only random shots occasionally rending the sky to keep the war on a "going" basis. The Chinese casualties during the engagement totalled over 30 officers and men.

Woosung continued to be queit. The Japanese on the Shanghai side of the Wentsopang Creek made clumsy attempts to ford the Creek and tried to cover the crossing with a steady machine gun fire. The alert Chinese guards on the Woosung side of the Creek had watched the movements very attentively and made excellent use of their machine guns, utterly discouraging any of the enemy's

attempts. The Japanese retired and had to remain in a defensive position.

On March I, the situation suddenly took a turn for the worse for the Chinese Defense. With the arrival of fresh reinforcments from Japan, the 11th and 14th Divisions under Gen. Shirakawa, the Japanese in addition to their unrivaled military equipment now also possessed absolute superiority in numbers which finally proved a decisive factor in the situation. On the other hand, the Chinese reinforcements were very slow to arrive. The vigilant cruising of the Yangtsze by Japanese warships and their bellicose attitude made it very hazardous for any large body of men to cross the River to this side, while the march of troops overland was extremely difficult and disastrously slow. Despite the tremendous casualties during the ten days of fighting since Feb 20, the Shanghai defense force had not been able to enlist one soldier to its assistance. Indeed, the 47th Division under Gen. Shan-kwan Yun-hsiang had received orders to advance to Shanghai to reinforce the 19th Route Army, but it came too late to avert the impending, inevitable crisis. As late as March 1, only a detachment of the vanguards of the Division reached Kunshan, while the main body of the men was still lagging behind. Placed in such a helpless situation, the Chinese had no alternative but to bow before the superiority of numbers.

Early in the morning of the day, the Japanese opened up a general offensive along the entire warfront with their combined force of land, navy and air contingents. A terrific artillery fire and airbombing were first aimed at the positions of the 78th Division and the defense line of the Left Wing Force in order to cover the Japanese infantry units to push up their advance. The Chinese defense guards gallanntly braved the furious attack and fought a hand-to-hand fight when the two opposing bodies came into close grips. The fighting was unnsually severe at Yang-chialou and Tsohyuanteng on the Miaohangchen front. As the day wore on to noon, Chinese casualties reached tremendous proportions and a part of the 78th Division on the main front positions was literally wiped out. Taking advantage of the momentary weakness, the Japanese advanced and succeeded in occupying the positions. Presently, the Chinese hurried to the front a large detachment of reserve forces and launched a counter-attack on the enemy. After a bloody engagment, the Japanese occupying unit was driven out and the lost positions were recovered. Just as the Left Wing Force was planning to launch a general frontal attack and engaged the Japanese in a decisive battle, news reached the Headquarters of the 19th Route Army that over 10,000 Japanese troops composing the 11th Division under the cover of smoke screens and naval and aerial bombardment had landed at Yanglinkou, Chiyakou and other points along the Yangtse west of Liuho. In order to check the enemy on the Yangtsze front, a large portion of the defense force on the main front and one Brigade of the 87th Division under Gen. Sun Yuan-liang had to be rushed to Liuho and eject the Japanese landing force. At 2 o'clock in the afternoon, the Japanese reinforced the Kiangwan and Miaohangchen front and made a desperate effort to break through the Chinese defense line. Most sanguinary warfare developed and lasted for several hours. Finally, because of the overwhelming pressure, the defense line of the 88th and 78th Divisions was broken in at several points, but the defense force continued to sustain their defense pending the arrival of reinforcements. By this time, all the reserves had been called up and the fighting resources literally exhausted. In the meantime, Liuho situation became very critical with the enemy steadily pressing in and threatening to bottom up the Chinese defense force. Despite the tremendous odds and dangers of envelopment, the Chinese defense desperately held out and vainly hoped the arrival of reinforcements to save the crisis. Late in the afternoon, the High Commands of the defense force summarily decided upon a change of tactics and issued an urgent order to all the commanding officers at the front to retire from the Shanghai area so as to save the defense force from the fate of being surrounded by the enemy. Forthwith the order was put into execution and the entire defense force was withdrawn into the second defense line along the Changshu, Taitsang and Kunshan front, thus marking the conclusion of the fighting in the Shanghai environs.

According to official figures published by the Headquarters of the 19th Route Army, the casualties on the Chinese side during the period of hositities of one month and four days totalled 4274 deaths, 9830 injured and 625 missing. This includes the casualties of the 87th and 88th Divisions of the 5th Army which alone lost 1,825, while 3,487 were injured in battle and 625 missing.

Tabulated records show:

19th Route Army	Killed	
	Officers	Soldiers
60th Division	26	368
61st Division	46	843
78th Division	45	1118
5th Army		
87th Division	24	499
88th Division	57	1,034
Independent Brigade	16	195
Total	214	4060

19th Route Army	Wounded	
	Officers	Soldiers
60th Division	92	1,175
61st Division	195	2,802
78th Division	114	1,965
5th Army		
87th Division	101	1,340
88th Division	141	1,557
Independent Brigade	34	314
Total	677	9,153

In addition to this figure, 14 officers, 281 soldiers of the 87th Division and 12 officers and 318 soldiers of the 88th Division are listed as missing, making the total of 625.

Trade Depression in Harbin Continues

(*From the Review's Correspondent*)

Harbin, June 30, 1932.

In conjunction with the war in Manchuria that has been lasting for nine months and the general difficult economic conditions in the world, the trade depression in Harbin continues to tighten up its grip upon all kinds of business enterprises in the city. The banks have suspended their active operations and confine themselves only to collecting what is owed to them by their clients, many of whom prove unable to meet their obligations, so that the banks have to take control of their enterpries and sell through agents the goods of the clients mortgaged with the banks as securities. In many cases the articles of goods are sold by the agents of the banks singly at prices lower than the wholesale prices for the same goods in stock at stores in Harbin. The goods are disposed of sometimes directly to the public, or retailers, or hawkers. The latter class of dealers has grown in number so greatly that some of the owners of big stores in the city tendered a petition to the authorities of the city requesting them to prohibit the hawkers to trade in the streets adjacent to the stores, where by offering their goods in the street they intercept people, would-be-buyers in the stores.

Recently a great internal trouble arose in the Bank of the House Owners' Asseciation due to a controversy between the joint-owners of the bank on one side and some of the influential depositors on the other. The bank lent large sums of money to many ex-employees of the C.E.R. The ex-employees, immediately after their dismissal, hoping for an early receipt of their pensions and past-service dues from the Railway raised loans at the bank and started to build houses, mortgaging with the bank the lots of land and the houses under construction as securities. But their hopes to receive money from the Railway have not been realized. The railway can pay out only in small installments just sufficient for the families of the ex-employees to live on. The houses they built with the money borrowed from the bank brings in some rent, but it is scarecly enough to cover the interest. Experiencing uncertainity due to the political situation in the country no one has a desire to buy houses nowadays. All house brokers in the city have long lists of houses for sale.

Seeing the business of the bank to be slow and fearing that the bank may become bankrupt through its failing to recover the sums of money from its debtors a large group of influential depositors has decided to draw its deposits. But to this an objection has been made by the directorate of the bank; and a controversy which is still going on, has ensued. If the depositors succeed in drawing their money, the bank which is at present the only Russian credit-hypothecary establishment in Harbin, may cease to exist.

National Central University Closed by Executive Yuan

The drastic measures adopted last week by the executive Yuan to deal with the student insubordination at the National Central University have been successfully carried out without any hitch or untoward incidents. The Ministry of Education has completed the taking over of various departments of the University. Practically eighty to ninety per cent, of the entire student body have left the University, only a small number of students from distant provinces remaining in the campus. With the exception of a few administration offices, all class rooms and othe- buildings, including the gymnasium, library and dorr mitories have been closed and sealed.

With over sixty students who have been arrested for alleged complicity in the assault upon Vice-Minister Tuan Shih-peng and with all other students under close surveill- ance by the gendarmes and police, all scholastic activities at the Cenetral University have practically ceased.

A special committee is being appointed by the Ministry of Education to carry out reorganization of the University as well as examination of students desirous of returning to the University, Only those having satisfactory records of good conduct will be re-admitted.

Wang Ching-wei Explains the Situation

In a statement issued at Nanking July 3 on the recent student outrages at the National Central University, Wang Ching-wei, President of the Executive Yuan, declared that the Government was determined to enforce rigid school discipline as well as to adopt drastic measures to cope with cases of student insubordination.

Reviewing the circumstances leading to the appointment of Vice-Minister Tuan Hsi-peng as Acting President of the University, President Wang pointed out that the incumbent President of the University is Jen Hung-chien, whose appointment was announced several months ago. Owing however, to the fact that Mr. Jen's assent had not been obtained prior to his appointment, he has persistently declined to accept the post. The Ministry of Education had therefore to appoint Liu Kwang-hua, Dean of the School of Law of the University, as Acting President. Due to the opposition of a certain section of the students, Dean Liu also tendered his resignation and, to show his determination, abruptly left the University. These students demanded however the appointment of Cha Chien, Dean of the University, as Acting President. As a matter of fact, since the resignation of Acting President Liu, Dean Cha had actually attended to the duties of the President, although he has not been formally appointed as Acting President.

In the end the Executive Yuan decided upon the appointment of Vice-Minister Tuan Hsi-peng as the Acting President. This decision was taken with due appreciation of the fact that under the circumstances then obtaining at the University, it was not likely that any member in general educational circles could be prevailed upon to accept the post of Acting President. But being Vice-Minister of Education, Tuan Hsi-peng could not evade that responsibility, however distasteful and onerous the appointment might be.

Pupils These Days, Not Teachers, Administer Corporal "Punishment"

President Wang then went on to say that during the past few months, there have been frequent ebullitions of student agitation. The pretexts are usually shortage of University appropriations or alleged incompetency of the President. While the Government regrets that owing to the recent financial difficulties, it has not been possible to remit appropriations for the various universities in full, the students should realize however that both military and civil expenditures have also been reduced to half of their normal figures. He said that despite various difficulties, the question of educational appropriations has been engaging the careful attention of the Government. Moreover, the students want their Presidents to be elected by themselves just as the members of a legislative assembly would elect its Speaker. If this were allowed, education would become a farce. Futhermore, if any demand of the students should not be acceded to by the authorities, a strike is recklessly resorted to by the students as a means of coereion. Sometimes, the students have gone as far as to make dastardly assaults upon their teachers or principals. It would indeed be a deplorable irony of fate he said, if students who, in olden days, were subject to corporal discipline by their teachers were now permitted to exercise that right over their teachers.

In a mandate issued at Loyang June 30, the National Government formally accepted the resignation of Jen Hung-chien as President of the National Central University and also that of Liu Kwang-hua as Acting President of the same institution. Tuan Hsi-peng, Political Vice-Minister of Education, was appointed concurrently Acting President of said institution.

Bellicose Students at Tsingtao

Following closely upon the dissolution of the National Central University at Nanking, another drastic step was taken by the Executive Yuan June 30 in connection with the strike of the students of the National Tsingtao University, when the resignation of President Yang Chen-sheng of the Tsingtao University was rejected. The University is to be dissolved and reorganized; the faculty members to be newly engaged and students to be subject to scrutiny before re-admission. The Tsingtao students, it appears, opposed the regulations of the University concerning courses; they then organized a "Mailed Fists Corps" and called a strike against attending classes and examinations.

China Foundation Gives Grant to Thirteen Institutions

At the annual meeting of the Board of Trustees of the China Foundation for the Promotion of Education and Culture, held at Peiping July 1, Dr. Tsai Yuan-pei, was re-elected chairman of the Board. Grants to 13 educational and cultural institutions, amounting to a total of $300,000, were decided upon at the meeting. Among these, the School of Medicine of the National Central University, Nanking, and the Lingnan University, Canton, will receive $30,000 each.

Kiangnan Arsenal to be Transferred to Hangchow

The Kiangnan Arsenal at Shanghai is to be removed to Hangchow where it will resume operations. A decision to this effect was reached between General Chiang Kai-shek, as President of the Military Affairs Commission, and General Ho Ying-chin, Minister of War, during the latter's recent visit to Kuling.

All important machinery is to be transferred to Hang-chow. A small part of the equipment is to be sent to the Nanking, Hanyang, and Kunghsien (Honan) arsenals.

C.E.R. to Divide Profits on 50/50 Basis

According to the Harbin newspapers the Manchukuo and Soviet members of the board of the Chinese Eastern railway have agreed to the payment of two million roubles on account of profits earned by the railway during last year. This amount, the roport states, will be divided equally between Moscow and the Manchukuo authorities. Payment will be made with funds of the C.E.R. held by the Soviet State Bank at Vladivostok.

Bank of Japan Reduces Interest Rate

A further decrease in the rate of interest is announced by the Bank of Japan. In view of a recent declaration by the Bank of England lowering the rate of interest to 2 per cent., which is lower than the existing rate in the Federal Reserve Bank of New York, the Bank of Japan is following suit and has reduced its rate for the third time. In the meantime the Yen is quoted at Gold $0.27 as against par of Gold 0.49½..

Hangchow Mint Suspends Operations

Pursuant to instructions from the Ministry of Finance, the Hangchow Mint under its director Chou Pei-chen, is winding up affairs preparatory to closing down. The Mint had already suspended operations for some time. An order recently received from the Ministry instructs that the organ be abolished and the staff discharged with two months' pay.

Central Bank of China Buys New Premises

The Central Bank of China, with a view to meeting the requirements of its business activities has purchased through the China Realty Company, from Sheng Sze Yu Tsai Charity Fund Committee the valuable piece of land, comprising 2½ mow, now occupied by the P. & O. Banking Corporation, Ltd., Shanghai, at No. 6, The Bund, at a price of Tls. 756,000.

Catastrophe in Siberia

(Jonathan Mitchell, in the New Republic for June 8, 1932)

THE DANGER of war between Japan and Soviet Russia is now acute. Japanese army chieftains have long desired an attack upon Russia. Two Siberian cities, Khabarovsk and Vladivostok, dominate northern Manchuria commerically and militarily. At Khabarovsk, the Trans-Siberian Railroad meets the Amur River at its junction with the Ussuri; Vladivostok is the terminal port of both the Trans-Siberian and Chinese Eastern railroads. These two cities are Japan's objectives.

In estimating the likelihood of war, it is important to understand the Japanese military attitude. Japan's generals and admirals do not fear Russia now, but they are immensely afraid of what Russia may become in 1942. They also fear, or profess to fear, an approaching great struggle with the United States for the control of China. Whether these fears are justified is immaterial. By seizing and holding Vladivostok and Khabarovsk, Japan's present position in Manchuria would be fortified; Russia would be discouraged (or so the Japanese hope) from going ahead with the settlement and development of Siberia, and Japan would be free to face the United States in the Pacific.

For some time reports have been current in Washington, London and Berlin that Soviet Russia, in the event of an attack by Japan, will not fight. These reports emphasize the fact that Russia already has surrendered direction of the Chinese Eastern Railway without serious protest. A war in Siberia might conceivably be disastrous for Russia, and at best would divert energy from Russia's industrial expansion. Furthermore, if under pressure from the United States and the League Assembly, Japan is eventually forced to abandon its present position in Manchuria, it will simultaneously be compelled (if only for military reasons) to give up any territory taken in Siberia.

Russia Not Dependent on Propaganda Alone

It would be a distinguished and civilized gesture if Russia should refuse to be drawn into the war system, and should rest its defense upon an appeal of its doctrines to the masses of people in every country. However, reports that Russia will not fight are indignantly denied in Moscow. In the May Day celebrations at Khabarovsk, the Soviet soldier-hero, General Vassili Blucher, declared that the Red army would "prevent an alien foot from trampling on the soil of the collective farms." The phrase is, of course, reminiscent of the "Marseillaise," once the battle song of another revolutionary people.

On February 28, Japan's ambassador at Moscow, Koki Hirota, pledged the word of his government that Japanese troops would not advance along the Chinese Eastern Railway east of Hailin. This pledge has been violated by the Japanese General Yoda, who is now slowly driving back General Wan Fu-lin and his rebel Manchu bannermen to the Siberian border. If Russia is unable or unwilling to halt and disarm General Wan's men at the frontier, there is great danger that General Yoda will pursue them into Russian territory. He will have many more or less respectable precedents, including General Pershing's expedition into Mexico after Villa in 1916. If General Yoda enters Siberia, it will be proof that the Japanese High Command is ready for, and wants, war with Russia.

The Russians themselves have feared for months that war would begin with a White Russian invasion of Siberia, followed by Japanese intervention. The White Russians are the first foreigners ever to be in China without the protection of a home government. They have had a miserable twelve years, and are desperately anxious for a war, which they hope would lead to an overturn in Russia. On March 21, Moscow was formally assured by Japan that it would suppress White Russian activities in northern Manchuria. Apparently this has not been done. It is estimated that there are about 20,000 White Guard veterans in Manchuria and China. Their commander, General Dietrichs, has headquarters in the French Concession at Shanghai, from which he has been sending appeals for funds to America.

In a Siberian war, Japan would have a great advantage in the speed with which it could place troops at the scene of fighting. According to calculations of foreign military observers, Russia has lately been sending reenforcements to the Far East over the Trans-Siberian Railroad at the rate of one division of 10,000 men a month. In case of war, it is believed this rate probably could be doubled, and a division, with necessary equipment, be sent every fifteen days. In contrast, Japan recently transported the Third and Fourteenth Divisions and various other units, 24,000 men in all, from Shanghai to Harbin in exactly six days, a feat of military efficiency worthy of the old German army.

It would be almost as difficult for Russia to carry on a war in Siberia as it was for the United States to fight in France in 1917-18. Vladivostok is about four thousand miles from Moscow, and the Trans-Siberian is in disrepair. Japan would have the magnificent South Manchuria Railway to Changchun, and the Chinese Eastern from Changchun to the Siberian border. Moreover, Vladivostok is only about seventy-five miles from the Japanese port of Seishin, in Korea, and only four hundred and fifty miles across the Sea of Japan (which the Japanese fleet would absolutely control) from the main Japanese islands.

Japan appears to be approaching a domestic financial and industrial crisis. The same military cadets who murdered Premier Ki Inukai put bombs before the Mitsubishi Bank and the Bank of Japan. Mr. Halleck A. Butts, United States commercial attache at Tokio, a few days ago reported to Washington that the Japanese government internal loan to pay for the Shanghai campaign has failed, and that the Japanese Treasury is contemplating what Mr. Butts delicately calls "an expansion of currency," with stern measures to prevent an expected exodus of Japanese capital. The classic procedure for a ruling group, besiged by circumstances, is to embark on a foreign war, and a war in Siberia, at least in its beginning, might yield satisfying Japanese victories.

Japan's Prestige Is High

On the other hand, it must be remembered that Japan has won a considerable victory in the Shanghai armistice negotiations. Japanese prestige in China is higher than it has been in ten years, and American and British prestige is correspondingly low. On May 4, immediately after the Shanghai armistice was signed, Chiang Kai-shek is supposed to have issued orders for the arrest and punishment of all leaders of the anti-Japanese boycott associations. It seems reasonably sure that the next Nanking government, now in process of formation, will be subservient to Japan. Should Japan fight Russia, these gains might be lost. China's politicians (as long as the war was in doubt) would be anti-Japanese; the anti-Japanese boycott would once more be clamped down and still greater encouragement be given to Manchurian insurgents.

How serious this would be for Japan would be determined by the degree to which China had the support of the Great Powers. The attitude of America and Europe must necessarily be a great factor in Japan's decision to fight Russia. If Japan, in a war with Russia, cannot obtain at least the benevolent neutrality of the United States and England, it may find itself being forced to make important concessions in China and Manchuria. Moreover, in a war of any duration, Japan would have to obtain foreign steel and chemicals, and foreign money to buy them with.

In Europe, Japan could count on the vociferous support of about 150,000 Russian White Guards, concentrated mostly in Jugoslavia and with headquarters at Prague. They hope Japan's declaration of war on Russia will be the signal for an attack on Russia from the west. The more nearly sane among the White Guard leaders do not think they can overthrow the Soviet government; what they want is an invasion (to be followed by capitalist intervention) of the Ukraine, just across the Polish-Rumanian frontier. The Ukraine is the industrial and agricultural heart of Russia, and its loss would immensely hinder the growth of Russia's power.

For many months the White Guard has intrigued for war between Russia and Japan. The abortive plot against the life of Ambassador Hirota at Moscow, last December, was almost certainly of White Guard origin. The mad, wretched Gorgulov, assassin of President Doumer, in his anti-Soviet statements to the police merely repeats what he heard from his superiors at Prague. The great importance of the White Guard, however, lies in its connections with the French General Staff. In Paris, such influential figures as old Marshal Petain ceaselessly preach the coming menace of the Red army. In London, powerful groups, apparently alarmed by the

spread of Chinese communism, are also giving secret encouragement to Japan. (It may be noted that Sir Henri Deterding, head of the Royal Dutch Shell and chief Russian-baiter in England, seems greatly mollified by Russia's willingness to enter the world oil conference lately called in New York City.)

Soviet Russia, for several years, has been endeavoring to form non-aggression agreements with its European neighbors. Treaties have been initiated with France, Finland, the small Baltic states and Poland. Ratification of these treaties, however, is dependent upon the conclusion of a similar agreement with Rumania. Rumania refuses to sign, ostensibly on the ground that Russia has not recognized its title to Bessarabia. With the meeting, last February, of the Disarmament Conference at Geneva, Litvinov let it be known that Russia, while declining to recognize Rumania's right to Bessarabia, was willing to agree that the Rumanian non-aggression treaty should apply specifically to the Bessarabian frontier. Russia pledged itself, in other words, never to try to take Bessarabia by force. Litvinov besought France to use its influence to compel Rumania to agree. The French reported Rumania obdurate. Various neutral diplomaticos have attached great significance to this. They do not believe Rumania's obduracy genuine, and they have decided that "France and her allies want a free hand for eventualities," meaning, of course, that in case of a Russian-Japanese war, France and its allies are resolved to attack the Ukraine.

During the past winter, Rumania has writhed under the iron rule of Charles Rist of the Banque de France, and has been sending forth loud appeals to Rome and Berlin to be rescued from French financial rectitude. Rumania's refusal to sign a non-aggression treaty may be proof of the existence of the "united capitalist front," or it may merely be part of some minor political maneuver. At present, all talk of an anti-Russian alliance seems premature. As long as relations between France and Germany remain in their present unresolved state, it is hard to see how a "united capitalist front" can have any reality. However, it is inescapably true that important reactionary elements in Europe are egging Japan on, and hoping for war. If Russia should become deeply involved in Siberia, the pressure upon every European government to intervene would be very great.

There is one thing America can do, and should do at once, and that is to recognize Russia. Whether there is to be a war depends primarily upon obscure and shifting forces within Japan itself. But American recognition of Russia will help stop European incitement of Japan, and if war comes, it will help make possible an early negotiated peace. Mr. Hoover has long professed his devotion to world peace; recognition of Russia will demonstrate his sincerity.

Strikes and Lockouts Close Down Silk Industry in Chapei

The silk filature industry in Chapei was at a standstill during the week, 13,000 workers being away from their factories, either as a result of a strike inaugurated a week previously, or because of lockouts declared by their employers.

Nearly 9,000 workers were shut out in one day last week in western Chapei, indirectly as a result of the attempted invasion of one of the filatures by a group of embattled women strikers on the preceding day.

Until then there had been only about 4,000 away from their jobs in eastern Chapei. These were workers who had struck for retention of wage scales of 58 cents per day at the Ye Chong Silk Filature, 2 Wuchow Road, and the Ye Chong Branch Filature, 1 Wuchow Road, and those who had been locked out by seven other filatures.

About 30 women strikers visited the Zung Kee and Co. Silk Filature, 5 Yung An Li, Tai Yang Jiao, western Chapei, June 29. Their evident intention was to invade the premises and intimidate non-striking workers. Chinese police dispersed them. On seeing the police and being in fear of consequent trouble at the hands of pickets, the 700 workers in the filature stopped work of their own accord, whereupon the management declared a lockout.

This action was followed by a declaration of lockouts in 15 filatures in western Chapei, taking 8,900 workers from their jobs.

Anti-Japanese Movement Continues in Interior

The Japanese press telegrams continue to report examples of the continuance of the anti-Japanese movement in various ports of the country.

In Fenghsien, Chekiang Province, the local drapers' guild upon learning that a certain draper had purchased a large quantity of Japanese cotton piece-goods from a merchant at Sungkiang and that the said draper had changed the trade mark and sold the commodities in secret, the anti-Japanese Boycott Society held an emergency meeting and decided to boycott the draper in question through the means of hand-bills advising the people not to buy cotton goods from the draper. The draper subsequently was persecuted by the Society in other ways.

In Kashing, Chekiang province, the Wang Chuang large drapery store in Peitachieh street was found to be dealing in Japanese cotton goods. The local anti-Japanese Society, on learning what was going on, held an emergency meeting and decided upon various forms of punishment against the "traitor" merchant, among them being that the business of the shop had to be suspended for two weeks and the proprietor paraded about the town.

The Japanese telegrams state that there are prospects that a huge volume of Japanese goods seized by the Anti-Japanese Boycott Association in Shanghai during the height of the boycott, which are now in the custody of the Seized Goods Disposition Committee, will be returned to their former owners to be disposed of by them. The commission in custody of the seized Japanese goods has notified the former owners of the seized goods to make early registration with the commission, stating the nature of and the volume of the goods sealed up by the boycott pickets.

Expression of deep regret for the gradual lack of enthusiasm for the anti-Japanese agitation is voiced by the Federation of Anti-Japanese National Salvation Societies in an identic advertisement printed in local Chinese papers. The Federation announces that it has decided to devote a week starting July 11 to anti-Japanese propaganda work, during which period every available means are to be utilized to foster and revive the anti-Japanese sentiments among the masses.

In view of the growing signs of revival of anti-Japanese sentiments in Canton and its neighborhood as the result of the arrival of General Tsai Ting-kai, commander of the 19th Route Army, Consul General Suma, of Japan, recently approched Mayor Lin Yung-Kai, of Canton, requesting the latter to control any anti-Japanese excesses in the locality. Mayor Lin in reply assured the Japanese official that the Chinese authorities would take all proper steps to prevent any untoward incident whenever any sign of excesses become visible.

Cholera Epidemic on the Wane in South China

The Health Authorities at Nanking are taking active measures against spread of the cholera epidemic. During June 349 cases occurred in Nanking, 87 of which proved fatal. Besides extensive propaganda work among the people, a vigilant watch is kept at all points of entry into the city, such as railway stations and piers, in order to detect any cases of cholera among incoming passengers. Free anti-cholera injections are also given.

A Canton report states that the cholera epidemic in that locality is on the wane. More than 2,000 cases of cholera had been reported during the week beginning June 21. Of these 90 persons died.

Large quantities of anti-cholera vaccine are being manufactured by the Health Administration of the Ministry of Interior. Propaganda material is also being printed and sent to all parts of the country for distribution among the people warning them against possible sources of infection. Vaccine will be supplied to all municipalities and cities for free inoculation by the local health authorities.

Special attention is being paid by the Administration to the war-devastated areas of Paoshan, Taichong, Kiating, and Quinsan, near Shanghai. Fifteen physicians, accompanied by over twenty nurses, are conducting travel clinics giving free anti-cholera injections to the inhabitants.

Although the cholera situation has improved at most of the large ports, the situation has become worse inland. It has gripped strongly theNorth-western provinces of Suiyuan and Shensi. At Paotow, the present terminus of the Peiping-Suiyuan Railway, over a dozen deaths have occurred daily.

At Tungkuan, near the Shensi-Honan border, cholera has also claimed a heavy toll, nearly two hundred persons having already succumbed since its outbreak. Cases have also appeared at Weian, further west in Shensi.

Should China Ally With the Soviets?

BY PAUL K. WHANG (汪仲芳)

EVER since the Japanese incursion into Manchuria last September, a movement has been on foot to urge the Nanking government to immediately enter into an alliance with the Soviets so as to secure Russian assistance in resisting the Japanese aggression. Literature has been distributed and speeches have been broadcasted, calculated to make us believe that had China and the Soviets been on friendly terms, the Japanese militarists would not have been so unscrupulous as to stage their Manchurian adventure, that instead of appealing to the League of Nations and to the friendly foreign Powers, which can not give us any material assistance, China should seek help from the Soviets, whom Dr. Sun hailed as China's best friend, and that we should follow Dr. Sun's example in allying with the champion of weaker and smaller nations to meet our common imperialistic enemy. The agitation has been kept up for many months and has aroused much interest among the Chinese people, many of whom, who have been hitherto strong opponents of bolshevism, have also given support to such contentions. At the time of desperation, it is easily conceivable that our people will readily respond to any means of salvation which will allegedly free them from the grip of Japanese imperialism, no matter how high the price will prove to be. In his recent visit to Shanghai, Wang Ching-wei, the chief of the Executive Yuan of the Nanking government, was quoted as saying that China had been prepared to resume diplomatic relations with the Soviets and to sign a non-aggression pact with the latter. It has also been reported that Mo Te-hui, plenipotentiary delegate to the Sino-Soviet Conference at Moscow has returned to the Soviet capital from Italy in compliance with instructions from the National government, and that he has opened conversations with the Soviet foreign office regarding the conclusion of a non-aggression pact and the resumption of diplomatic relations between the two countries. Whether these are the stepping stones leading to the formation of an alliance with Russia, can not be told. But it is certain that the way will be paved to lead China to that course, provided China can not redress her grievances at the forthcoming Assembly meeting of the League of Nations in September.

Restore Relations—But Watch Your Steps!

We are fully in agreement that China should restore diplomatic relations with the Soviets, but to go beyond that, China must watch her steps. If we refer to Chinese history, we shall find two instances in which China allied with Russia, but each time she reaped evil consequences. Right after China's defeat at the hands of Japan in 1894, Russia together with Germany and France forced Japan to return Liaotung Peninsula to China. The Manchu government, in expressing its gratitude to the Russian good offices, actually effected an alliance with the Tsarist government. But subsequently Russia snatched from the Manchu government Dalny and Port Arthur, the C. E. R., and all the rights pertaining to the forestry and mines along the railway line, resulting in the Russo-Japanese war of 1905. Then again, in his late years prior to his death, Dr. Sun became so infatuated with the ideas of Lenin and the policy of the Soviets, that in the spring of the thirteenth year of re-organizing the Kuomintang, he admitted the communist members of the Third International into the Kuomintang. The adoption of the policy of allying Russia was only followed by the anti-Russian agitation. As a result, a serious party strife was enacted in the Chinese political arena, culminating in the split of the party and the disruption of diplomatic relations with the Soviets in 1929.

It is still problematical what is the real motive which prompted Dr. Sun to form an alliance with Russia. Was the alliance prompted by the desire of safe-guarding the position of China, or was it merely the expediency of the party policy at the time? Without going any further, I take it for granted that the alliance was made because of the former motive. But here is another question: Was the alliance then an economic one or a political one? If it was an economic one, how could Russia, after passing through the revolution and with an empty treasury and using foreign assistance, rehabilitate herself, and give a helping hand to China? If in time to come the development of the wealth could enable her to lend us a helping hand, we should soon feel her pernicious influence of economic oppression. While Chinese people were then denouncing vehemently the economic penetration of foreign Powers in China, could they be so changed as to tolerate the Russian oppression in future with resignation and satisfaction? If it was a political union, we should only ally with Russia when she by her deeds rather than words had convinced us that her policy had been really different from that of imperialistic Powers. At the outset, the Soviets repeatedly declared that they would return to China unconditionally all the privileges and concessions wrested by the former imperial Russian government and the capitalistic interests. But her subsequent acts did not conform to the letter and spirit of her previous declarations, and even in the case of the C.E.R., she showed no intention of giving up its control, the controversy concerning which is still unsettled. Nominally she waived her claim on the Boxer Indemnity, but the fund was earmarked for definite use as prescribed by other Powers. In regard to the most important problem relative to the independence of Outer Mongolia, the Soviets in 1921 signed an agreement with Outer Mongolia recognizing its independence, but later they entered into a treaty with China respecting the latter's sovereignty over Outer Mongolia. Moreover, the fifth article of the Sino-Russian agreement prescribed definitely the time-limit for the complete withdrawal of the Soviet army from Outer Mongolia. But as a matter of fact, the power over politico-military affairs in Outer Mongolia had long fallen into the Russian hands, and the Russian influence, which had been firmly rooted, could not possibly be wiped out. Thus Outer Mongolia today is still a colony of the U. S. S. R. With this in view, we can not help concluding that the primary motive leading Dr. Sun to form an alliance with Russia was to secure Russian aid so as to consummate the northern expedition, a fact which Dr. Sun did not acknowledge himself.

Since the Kuomintang took in Russia as its ally and admitted the communists into its fold, the communists, under the aegis of the Kuomintang, have spread their pernicious doctrine all over the country. In spite of the rigid suppression of communism now, the Red influence has already taken a deep root in China, and the very existence of China is threatened by its menace.

Russian Bolshevism vs. Japanese Imperialism

Now under the pressure of Japanese imperialism, we once again are urged to turn to Moscow for help by forming an alliance with the Soviet. We have been told that since the Nationalist movement owed its success to the Russian assistance, why should we not once again solicit help from Moscow to stem the rising tide of Japanese imperialism? This argument proves especially appealing to the human psychology of the common people, who still consider Russia as the champion of weaker and smaller nations. It is true that the ascendancy of the Kuomintang was helped by Russian money and munitions, but what a price China has paid and is still paying for this assistance! Whether Russian bolshevism is better than Japanese imperialism, we are not in a position to judge, but we can say definitely that there is not much to choose between the two.

Outwardly the Soviets have posed as a champions of the weaker or smaller nations, and shouted at the top of their voices, "Down with imperialism", and "Down with capitalism", but do their past deeds convince us that they are really such? On the contrary, the Soviets have committed many imperialistic acts, and their China policy can be used as a good illustration, as I have stated above. The U.S.S.R. of today may be faced with different political conditions and pursue different policies from those of the Tsarist regime, but the Slavic people have not only retained but actually intensified their wide dreams. For the sake of argument, Soviet Russia, let us say, is anxious to win the sympathy of our 400,000,000 souls, and therefore is willing to extricate us from our present distress. Will she be so altruistic as to lead her vast Red army to drive out the Japanese from Manchuria in China's behalf, when she herself has avoided by all possible means to come into conflict with Japan, even though her own interests in North Manchuria have been jeopardized by the Japanese invasion? To go one step further, let us suppose that Soviet Russia, because of China, is ready to throw all her national resources into a struggle against Japan, irrespective of the evil consequences which may sound a deathknell to her much-advertised Five-year Plan. Will she render this service gratuitously without exacting a price from China? China has already been overridden with the Red menace, and to conciliate Russia, not to say to surrender to the Soviets would soon spread Red fire all over China, and possibly turn the vast continent into a big Red sea.

In conclusion, I wish to say that it is my opinion China should resume diplomatic relations with the Soviets, because all other countries, except the U. S., have been on friedly terms with the bolshevists, in spite of their bitter antagonism toward bolshevism. But to seek an alliances with Russia in the hope of securing her assistance is tantamount to an act of praying before the Buddha at the time of distress. No country can secure the help from other countries when it can not help herself, and therefore self-help is the best help after all.

Shanghai Jnly 3, 1932.

Mission Work Still Appeals to American Woman Ex-Bandit Captive

BY A. B. MACDONALD

The following story giving the experiences of Miss Harriet J. Halverstadt, who was captured by bandits in China, appeared in The Kansas City Star on Sunday, June 5. Miss Halverstadt is now home on leave.

WELLINGTON, KAS., June 4.—After thirteen years as a Methodist missionary in China, Miss Harriet J. Halverstadt is back home in Kansas to stay for one year. And then? Well, that depends on what may happen in China.

If the Reds get control in China she will not go back to that country as a missionary. If the Communists get the upper hand in China there will be no Christian missionaries there. The Reds are against God and all His works and workers, missionaries included.

Last December, when Miss Halverstadt was about to depart from China on a furlough of one year, she was kidnapped by a band of Chinese bandits who had been converted to Communism. They held her for ten days, trying to get a ransom from her, and when they released her the chief said to her:

"It's good for you that you are an American, Had you been an English woman we would have beheaded you when the ransom did not come. We Communists hate the English, but we are friendly toward America," and then he asked:

"And so, you are going back to America on a furlough?"

"Yes," she answered.

"You had better stay there, and not come back. China doesn't want your Christian religion. And when the Communists get control of China all the missionaries will have to go."

Miss Halverstadt says the Russian government is spreading its Red doctrines everywhere in China, but no one knows how strong they are. The Reds themselves contend that they are growing rapidly, that the young men, especially, are flocking to them. The Reds say they already have set up a Communist form of government in an interior central province of China and they declare that within a year or two they will be in full control of China.

Chinese President a Christian

"If the Reds do come into power there I shall be unable to go back as a missionary," said Miss Halverstadt. "They would drive the missionaries out. But if the Reds do not over-whelm China I shall go back next summer, probably in August."

"It has been printed rather widely in America that the Chinese hate missionaries," I said.

"That is not true," she replied. "The commissioner of education of China is strongly anti-Christian, and a law was enacted several years ago forbidding the teaching of Christianity to boys and girls until they were old enough and their minds were fully developed enough to choose for themselvs what religion they shall embrace, or whether they want any religion. That age limit, determined by the pupil's standing in his studies, averages around 15 years. But the president of China, Chiang Kai-shek, and his wife and mother-in-law are Christians. The masses of the people in China are not opposed to Christianity. They welcome us and listen to us gladly."

For the last five years Miss Halverstadt has been stationed on the island of Haitang. It is about forty miles off the mainland, about fifty miles south of Foochow and west of the island of Formosa. Haitang has a population of 80,000. Miss Halverstadt was the only missionary on the island except two Spanish Catholic priests.

"I was the only white woman on the island," she said. "Being forty miles off the mainland, we were isolated, and the people of that island have scarcely been touched by the things of our modern civilization. Just fancy living in the midst of 80,000 people who have never seen a motor car or an airplane, a bicycle, a railway car or a steam engine. They have never seen or heard a radio or a motion picture.

"Some years ago a missionary took to the island an old-fashioned stereopticon, or magic lantern, that threw colored pictures upon a screen. The people of the island almost went wild over them. They called them 'shadow pictures'."

"How about going there and opening a motion picture theater?" I asked.

The woman missionary, who might have had her head chopped off, threw that head back and laughed.

"Don't do it," she replied. "You would go broke. The people are so very, very poor."

"But," I persisted, "even if they are poor, with 80,000 of them to draw from and no competition, even at 10 cents admission, a man should do well. The people would come from all over the island. There are good roads, I suppose?"

"Not a road. There is no need of a road. There no wagons, no automobiles, no bicycles. What would they want of a road?"

"It's a wonder some Yankee hasn't introduced motor cars and then got a contract to build roads. Why couldn't a sentiment and demand for roads be worked up through the newspapers of the island?"

"Newspapers? There isn't a newspaper on the island; not a printing press."

"Don't they read at all?"

The Yearning for Learning

"Yes, in the last five or six years there has been a wonderful stimulation in learning over all China. Millions who could not read before have learned how in that short time. China is beginning to stir and want to know about things, and on our island very many can read. But they have no newspapers of their own. The papers, in Chinese, come down to them by boat from Foochow and are passed from hand to hand until they are worn to shreds. But your scheme for a road building campaign would fall through, along with your plan to get rich from motion pictures, for there is no one on the island rich enough to own and run a car, even if there were roads over which they might go. The people get around on footpaths. The richer class sometimes travels in sedan chairs, each carried by two men; or on ponies, of which there may be a dozen on the island. The plowing is done with cows."

"Use the good old family milk cow for plowing, hey?"

"No, there are no milk cows in China. The Chinese do not use milk, butter or cheese. On this island they do not know what cow's milk or butter is."

About half the area of the island is barren sand dunes. The balance is good farming land. On this isolated, quiet island the generations come and go, like the waves of the sea that breaks on their own shores, and they live today as their ancestors did, without electric lights or glass windows, with no water supply, except wells and cisterns, no leather shoes, no trees, no fruit, no berries.

"The wind blows so hard that trees do not thrive, so they haven't any," Miss Halverstadt said. "The main crop grown on the island is sweet potatoes. They yield abundantly in the sandy soil. So do peanuts, and beans and peas like ours.

"They grow cauliflower, cabbage, many different kinds of greens and a water chestnut that has a white meat something like a radish. Rice does not grow on the island and is a delicacy because it has to be imported. They grow some wheat, but there is no bread in China.

"I was telling a farmer's wife here the other day that there is no bread in China and she said: "Take me to China so I can get rid of baking day."

A Preference for Kansas

"If she became a farmer's wife on my island she would get rid of the drudgery of baking bread, but she would take on the greater drudgery of feeding the cook stove. You see, they have no wood or coal for fuel, so they rake up and save everything that will burn, the

grasses, all the straw and weeds, peanut and sweet potato vines, and those who are better off use charcoal, which is imported. The stoves are of brick and tile. A woman puts her meal on to cook and then gets down on her knees and with one hand stuffs the straw and weeds in, and with the other hand works a bellows to keep the fire alive. Do that for a half hour without stopping and you'd say: 'Take me back to Kansas.' I've tried it.

"But the Kansas woman who would go to my island would be rid of the drudgery of washing dishes, for all the dishes they use are a bowl, a pair of chop sticks and a spoon. They wonder at us in the mission, using so many dishes on our tables.

"On our island they never say coffee and they use little tea, for, being imported, it is a luxury. They have a wine made of rice, but they drink little of it and you seldom see a person drunk. It is sold everywhere, but it is mild and the people are really too poor to afford wine.

"For meat they have hardly anything but pork. There are many pigs on the island and the people love pork. They are great fishermen, too, and out of the ocean around them they get an abundance of fine fish. That constitutes more than one half their food.

"The better houses are of stone and the majority are very old. The poorer live in mud hovels, and nearly all have dirt floors. There is not a house on the island as good as the average workman or farmer has here in Kansas. Their furniture is rough and hand-made. They have no soft beds such as we have, with mattresses that invite sleep. Their beds are of bamboo splints woven and fastened on a frame, or of board slats, thin, so they will give to the body. Very few houses have window glass. They are covered with greased paper and nearly all have iron bars to keep out the devils.

"In spite of the hardships they undergo they are a sturdy race, and unusually cheerful and happy. They don't know there is any better way of living and so they make the best of it.

Tells of Superstitions

"Their whole life is a struggle against the devils that beset them. That is their religion—that the devils are lying in wait everywhere for them. In their religion is no love nor pity. They are constantly doing things to placate the devils. If they pray it is against the devils. They make offerings and burn incense to keep the devils away. If one is crippled, they say it is a judgment upon him, by the devils, because of some sin he or his ancestors committed. We had a beautiful and bright Chinese girl in our school who had tuberculosis of the bone and was therefore crippled, and she was shunned and looked down upon. People said she must have committed some awful sin to be so punished. She felt the disgrace and shrank from public view, until she became a Christian and learned what caused her weakened leg. Then she did not hide any more.

"The people know nothing of sanitation or cleanliness or quarantine. If a person has smallpox or any other contagious sickness, the people flock in to see him just the same. So the death rate is very high. It has been authoritatively estimated that eight out of each ten babies die before they are 4 years old. I wonder that the other two live.

"On this island, with its 80,000 people, there is no hospital, no home for the aged or poor, no institution for the care of the insane, the feeble minded or the afflicted, no charity, no pity, no love. Pity for the afflicted, care for the diseased, love for all are something that has been introduced by the Christian missionaries. We have a clinic for the sick and are laying foundations for a hospital, but our funds are low. We cannot go on unless we get more money.

"As to morals, they are low. Wives are bought as a man would buy a cow for his plow. A young man pays $100 in our money for a wife. If she is an educated wife, he may have to pay as high as $300. She is his slave. With nothing ahead for her but drudgery, she has no chance in the world.

"There is no Sunday on the island. They work all the time and work hard. In the old days girl babies were so hated that it was common to throw them in the water or leave them out in the wilds to die. The coming of Christianity has changed this. When I first went there I saw a baby girl that had been drowned, but now it is different. Girl babies are still not wanted, and many times they are sold as wives as soon as born and the family buying them uses them as virtual slaves. The people believe girl babies will inevitably fall a prey to the wiles of the devils, so, if you ask a mother if her new born baby is a boy or girl, even if it is a girl, she will say it is a boy, for fear the devils will overhear her if she says it is a girl.

"But we Christians are getting the people away from that. We are teaching the people to reverence womanhood. We tell them that the mother of Christ was a woman.

"Boys on this island go to work as soon as they are big enough. We are doing all we can to change that, too, and are making headway."

I asked Miss Halverstadt to tell how she works among those people to Christianize them.

"Our island is densely populated except where the sand dunes are," she replied. "There are 500 villages. The largest town is Tang Tau, with 8,000 population. The main street is about as wide as the length of this davenport on which I am sitting. The Methodist church has had missions on this island for sixty years, and we have schools and chapels scattered throughout the island, with native teachers. We teach them in their own language, the ordinary studies such as we have in America, with Christainity mingled in. They are remarkably intelligent and apt to learn. We estimate that one in twenty-five of the people on the island is a Christian, and we expect that the whole island will be Christianized before another generation if we are permitted to carry on our work.

A Missionary's Daily Routine

Of course, I oversee the teaching in our schools. Then we keep going out into the larger villages in groups of ten and hold what you would call in American evangelistic campaigns. For example, we go into a village in which we already have a mission and school. Our resident pastor has prepared the way for our coming. Everyone knows that the American lady missionary is coming. I take a native Christian with me and go from house to house, knocking at each door for admission and talking to the women of the household, just as you would do it in Kansas City if all the people there were heathens and you wanted to convert them.

"Sometimes I cannot get into a house. Often I do get in and then I sit down and get acquainted, and let it be known that I am a representative of Jesus Christ, that I have come to tell them all about Him and His saving power. We have to watch continuously that the people do not get the idea that ours is a new kind of hocus pocus for scaring away devils. Very many of the people with whom I come in contact never even have heard of Christ. I have to begin with them as you would in teaching a child.

"You must bear in mind that behind these primitive people is no Christian background such as we have in America. They have never had a Christmas with its carols and stories of the infant Jesus and His mother. They have never heard the tender parables of the Bible, such as that of the Good Shepherd and His lost sheep. As I have already told you, in their religion is no love, no pity, no charity, but only the fear of vengeful devils.

"When I have got the entree into a home and have won the confidence of the women, then I begin to teach them that there is one who is the master of devils. You should see their faces brighten when they learn the sweet story of Jesus and that He loves them. They have not heard of love before. When I tell them that God so loved them that he gave His only begotten son to die for them, they grasp it and it moves them often to tears.

"That is an old story to us here in America. We see it and hear it on every side, but fancy the thrill of telling a person for the first time he ever heard it, that 'sweet story of old.' It is a wonderful work.

"We get them to our meetings and teach them to sing the simplest of our hymns. They love to sing. They have musical instruments of their own, but they are crude and they do not sing much. But they fall right into it. We are growing rapidly in our work. They are hungry for the gospel, pure and unadulterated, just the simple story of how Christ died for them and arose from the dead and is living yet, and able and willing to save them!

"Oh, they get it, right away. You know, the plan of salvation is so plain that a man, even though he were blind, need not stumble in the way. And so we work, work, work, going from village to village, teaching, get-

NOW ON SALE

The China Year Book 1932

General Information:
Area and population; coasts, mountains and rivers; people and language; fauna.

Greater China:
Mongolia.—History, tribal organization and government; Mongolian Affairs Conference; Outer Mongolia.
Manchuria.—Position and boundaries, situation, climate, area, population, immigration, history and independence.
Tibet.—Geography, trade, history.
Chinese Turkestan. — History, geography, flora, fauna and trade; Turkestan-Siberian Railway.

Mr. Justice Feetham's Report to Shanghai Municipal Council:
Origin, scope and methods of enquiry; government, history, description, business interests, political and administrative questions and future of Foreign Settlement; suggested reforms affecting Ratepayers' Meetings and Council; origin, present status and future of Outside Roads Areas.

Products (pastoral, agricultural and general):
Wool, skins, bristles, hides, furs, bones, cereals, soya beans, silk cotton, sesamum, tea, oils, tobacco, fisheries, fibres, medicines, sugar, vegetable wax, straw-braid, nuts, timber, eggs, etc.

Colonies, Leased Territories, Concessions and Settlements:
Hongkong.—History, geography, finance, trade, communications, justice, health, education and legislation.
Kwantung.—Area and population, judiciary, posts and aviation, customs, finances and education.
Kwangchowan.
Macao.
Settlements and Concessions: Newchwang, Tientsin, Shanghai, Hankow, Amoy, Canton.

Public Health:
National Health Administration; patent and proprietary medicines; field health service, medical education, prevalence of communicable diseases.

Climate of China:
Monsoons, typhoons, rainfall, temperature, earthquakes, etc.

Geology, Mines and Minerals:
Rock formations of varied types; Governmental legislation and activity in mining: coal, iron, manganese, copper, gold, antimony, tungsten, tin, arsenic, aluminium and non-metallic minerals.

Trade and Commerce:
Early foreign trade.—Origin and development of trade with Portugal, Netherlands, Soviet Russia, America, Germany, Great Britain (British Economic Mission), Japan, France.
Modern trade.—Manchuria, North China, Upper, Middle and Lower Yangtze Ports, coast and river ports; customs; likin; commerical treaties.

Imports:
Cotton goods, yarn and raw cotton, woollen piece-goods, metals and minerals, machinery, electrical materials, timber, paper, petroleum products, chemical fertilizers, dyes.

Customs Revenue and Trade Statistics:
Values of direct trade with foreign countries; foreign trade imports; exports of living animals, food and beverages, materials, manufactured products, gold and silver.

The China Year BOOk **is the only publication of its kind in existence in China. Its 850 closely-printed pages review China's political, military and trade activities in easy reference form; contain the latest treaty negotiations with Foreign Powers; a Who's Who of nearly a thousand prominent Chinese personalities, and special articles on such subjects as the Kuomintang, floods, labour, currency and like problems. Sino-Japanese relations are dealt with in a special section which contains all relevant documents concerning the boycott, the Manchurian question and the hostilities at Shanghai.**

Mex. $20 net

Less than 10 per cent of the contents of the Year Book is Contained in previous editions, the first of which dates from 1912.

Finance:
T. V. Soong's report for 1929-30; Budget 1931-32; national policy towards debts; Boxer indemnity; new law on salt; tariff autonomy.

Labour:
Conditions in agriculture, handicrafts, mining and modern industry; labour disputes; wages, hours and cost of living Governmental policies.

The Kuomintang:
History of party activities up to February, 1932, fully documented; the Third Party Congress; opposition campaigns; reorganization of Central Government machinery; Chiang-Hu split; National People's Convention; resignation of President Chiang; Shanghai Peace Conference.

Religions:
Confucianism; Taoism; Buddhism; Mohammedanism; Christianity (Nestorianism, Protestant and Catholic Missions).

Shipping:
Customs report, list of shipping lines and vessels in coast and river trade, Hnogkong shipping and freight in 1930.

Army and Navy:
Arms, uniforms and equipment; arsenals, arms embargo and cancellation; strength and distribution of armies; foreign garrisons in China; Shanghai Volunteer Corps; Chinese Navy.

Sino-Japanese Issues:
Japanese and Chinese statements of principal points at issue, including report on anti-Chinese riots in Korea, Japanese invasion of Manchuria, disturbances in Tientsin, Japanese seizure of Salt Revenue; Japanese occupation of Heilungkiang; Chinchow and proposed neutral zone; "Independence" movement in Manchuria; Shanghai hostilities. Peace agreement and preliminary report of Lytton Commission.

Chinese Government:
Position of the Kuomintang; Executive, Legislative, Judicial, Examination and Control Yuans; military organs; provincial, municipal and district governments; Provisional Constitution of the Political Tutelage Period; Revised Organic Law; personnel of State Council, legations and consulates, foreign advisers, staffs of customs, salt revenue administration, postal service.

Who's Who:
Including new luminaries in the Chinese political and other horizons, checked up, wherever possible, to May 1, 1932.

Education:
Comprehensive account of Government educational activities and institutions; damage suffered by hostilities.

Public Justice:
How it is organized and administered; survey of modern legislation; list of courts, prisons, etc.

Miscellaneous:
Foreign, diplomatic and consular services; passport regulations; insurance in 1931.

Appendices and Index

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ting into the homes and telling this story, going among the fishermen and farmers and telling it there, sowing the seed everywhere we have time in which to go. I love the work. They are a delightful people to work among and my heart is filled with joy all the time. I want to be a missionary all the rest of my life, and just spend all my time bringing people to Christ."

"And never get married?" I queried.

"I am married already, to my work," she replied.

Greater Opportunities Ahead

I reminded her that missionary work abroad was often criticized here by people who argue that there are enough to be saved here without going away to China to look for the lost.

"Yes, that is an old complaint," she said. "But do they stop to think that there is opportunity for everyone in America to hear the gospel of Christ, and that probably everyone in America has heard it. But in China there are many millions who have never even heard His name. To carry the gospel to those people is worth all it ever costs. If you could come with us on one of our mission trips and see how gladly the people hear our message, and the good that is done, you would never criticize foreign missions again."

The story of how she was kidnapped and held for ransom has been told in the *Star*. It was last December. She was making her way to Foochow to begin her ocean trip toward Kansas. She had walked seven miles from her home on the island to a boat that took her to the mainland. She was going from there on a launch, up a creek. There were 120 passengers and she was the only American among them. The bandits came off from shore in three boats and hailed the launch as if they wanted to get aboard. They were flying the red flag of the Communists. Chen Wei was the bandit leader and he had thirty-one men, all armed.

"They took fifteen of us," she said. "They had a fort fifteen miles away and we walked to it. There I was kept prisoner for ten days. I slept on rice straw spread on an earthen floor, in a room with several men and women. We were fed salt fish and rice. I was offered cigarettes and the bandits were greatly surprised when they learned that I did not smoke.

"In the last few years the British-American Tobacco Company has spent a million dollars teaching the people of China to smoke cigarettes. They have put a cigarette into the mouths of nearly every woman and girl in China. When the leader found that I did not smoke he sent me two bananas. The bandits offered me a room by myself, but I felt safer sleeping in the room with the fourteen others who had been kidnapped.

"The heads of the church in China refused to pay a ransom for me, and that was with my consent, too, for, if Chinese bandits knew that they had only to kidnap a missionary to get a ransom, the life of no missionary there would be safe. Finally, the Chinese government offered $3,000 for my release. I was released, but I never learned whether or not the bandits got a ransom."

French to Invest in Manchuria, Says Baron Rothschild

Baron Philip Rothschild, French financier, who is making a tour of Manchuria, was interviewed by Japanese press representatives at Dairen, June 24. He said among other things that French financiers are comtemplating investments in Manchuria and that Hsieh Chieh-shih, Manchurian Foreign Minister, had declared that Manchukuo is anxious to obtain foreign capital.

French Will Probably Make Loan to Manchukuo

Despite official denials, the bourgeois press in France admits quite frankly that negotiations are proceeding between France and Japan with a view to France granting a loan to "the government of Manchuria." The Tokio correspondent of *Temps*, referring to the official denial that negotiations are taking place, writes: "In any case, it is known from a reliable source that a representative of the Franco-Asiatic Bank will leave Tokio shortly for Manchuria in order to discuss the question of French interests in the Chinese Eastern Railway, Should the attitude of the Manchurian government be satisfactory, there is no doubt that any request for a loan to keep up the line would be met favorably and that negotiations could be opened up for still further loans."

Institute of Pacific Relations to Meet at Banff, Canada, Next Year

The fifth biennial conference of the Institute of Pacific Relations will convene at Banff, in the Canadian Rockies, when the conference reassembles August 30, 1933, according to a statement issued recently by Acting General Secretary Charles F. Loomis from the International Headquarters of the Institute at Honolulu. Nine member countries will participate in the next conference, Australia, Canada, China, Great Britain, Japan, New Zealand, the Philippines, the United States and the U. S. S. R. In addition official observers are expected from France or her Pacific colonial possessions, from Holland or the Netherlands East Indies, and from the League of Nations and the International Labor Office at Geneva. Institute leaders in all these countries are convinced, Mr. Loomis says, that there was never a time when the far-sighted cooperation of liberal groups throughout the Pacific area was so vitally important to the solution of vexing problems, and no time when the activities of an organization concerned with desinterested study and research rather than with politics and diplomacy was so necessary. The disentangling of the present Far East muddle, for instance, will have to be left to the League and the diplomats, but objective study, on the part of an unofficial body such as the Institute, may do much toward uncovering the basic causes of this present conflict and of preventing others like it in future.

It will be remembered that the fourth conference was scheduled to be held at Hangchow, October, 1931, but proved abortive owing to the Japanese invasion of Manchuria. The Japanese delegates declined to attend. Delegates from other countries thereupon assembled in Shanghai and held a number of meetings.

Japanese Police Break Up Liberal Meeting in Tokyo

The Tokyo police had a busy day Sunday, June 19, arresting 190 men alleged to be affected by radical ideas. The Japan Protetariat Culture League held what was called a central expansion conference at the Tsukiji Little Theatre, Tokyo, attended by about 800 people, consisting of university students in uniform, "while-collared inteligentsia," laborers, and young women. The first speaker had hardly opened his mouth when the police interfered.

In compliance with the police request, the crowd turned out of the Little Theatre. One Katsuji Ueda, student of the Meiji University, at the entrance of the gate, shouted banzai for the Proletariat Culture League, and it cost him a severe wound in the head as he was beaten by a crowd of policemen, some of them using sticks, according to the report in the English edition of the *Osaka Mainchi*, June 22.

Ex-Officer of 19th Route Army Kills Sweetheart Following Quarrel

Tang Ho-sze, a middle-aged Chinese woman, was murdered in her home in No. 13 Kaokialoong alleyway in Chinese territory near Jessfield Road July 1 following a quarrel with her lover Shen Kih-san, an ex-officer of the 19th Route army. Tang stabbed himself in an unsuccessful attempt to commit suicide.

According to the evidence given in the Nantao District Court, Shen came to his sweetheart's home after some months' separation and tried to induce her to return to Chapei, where, it was alleged, the pair had lived happily together for years. They were separated during the local Sino-Japanese warfare. The woman not only turned a deaf ear to what he said, but accorded her former lover with cold contempt, the court was told. The shooting followed.

Japan Looking for Successor to Mr. Shigemitsu

The *Japan Chronicle* states that a change of Japanese Minister to China is expected to take place soon after Count Uchida's assumption of the portfolio of Foreign Affairs. Mr. Shigemitsu, the present Minister, is still in the Kyushu Imperial University Hospital, where he is to be operated on again shortly. As it is believed he will not be able to attend to his duties for a year at least, the appointment of his successor is considered imperative, as the duties of Minister to China are too important to be left in the hands of a *Charge d'Affaires* long. Among the persons prominently proposed for the post is Mr. Tanaka, former Ambassador to Russia. Mr. Tanaka is strongly recommended by Count Uchida.

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The Ominous East

(Christian Century, Chicago, May 25, 1932)

IF THERE have been any who have hitherto failed to feel the sense of ominous foreboding which for months past has been hanging over the far east, the assassination of Premier Inukai in Tokyo should dispel their optimism. Japan has been a menace to world peace ever since her military clique took affairs into their own hands last September and launched the offensive in Manchuria. But today, with the fascist organization of young army and navy officers resorting to assassination and widespread terrorism to sweep aside the last restraining influence of the older generation, this menace becomes immediate and appallingly likely to get beyond control. If the sentiment that has led to the killing of the premier obtains control of Japan, there is no parliamentary or other civilian authority that can hope to hold these berseker young officers back from acts of international defiance and folly.

Hardly any act short of the assassination of the premier would have been sufficient to make plain to the rest of the world the almost maniacal nature of the program for national aggrandizement which has swept through the ranks of the younger officers of the Japanese army and navy. Had Premier Inukai been a pacifist, a liberal, or a supporter of a conciliatory policy on the Asiatic mainland, his death at the hands of an army cabal would have seemed simply one more case of the old struggle between the civilian and the soldier—a struggle familiar in the post-war world, and especially in Japan. But Inukai was none of these things. He was a reactionary in internal politics, a protege of the notorious Baron Tanaka, whose hard-boiled policy on the Asiatic mainland rested on military imperialism of the most unabashed sort.

It was Tanaka who, on his retirement, put Inukai at the head of the seiyukai party. And from the day when, after the launching of the Manchurian advance, the army forced the resignation of the liberal Wakatsuki cabinet and the placing of civil authority in the hands of Inukai and the conservatives, the premier never placed the slightest hindrance in the path of the army and navy. Indeed, to defend their actions against the storm of world protest which they aroused, Premier Inukai went to the unprecedented length of threatening withdrawal from the League of Nations. The actual control of his cabinet was passed over, with hardly any attempt at concealment, to General Araki, the minister of war.

Why Was Premier Inukai Assassinated?

Why, then, was Premier Inukai assassinated? The explanation is to be found only in an understanding of that curious form of Japanese fascism which was unveiled to the American public in the article on "Japan's Military and Fascist Revolt" by Kurataro Hirosa, in The *Christian Century* for April 20. In that article Mr. Hirosa, the secretary of the Japanese Anti-war federation, pointed out that an alliance had been formed between the younger army and navy officers and important proletarian elements, conspicuously the social democratic and the people's parties. This alliance sought to precipitate *a coup d'etat* last October, but failed, although several financial leaders were killed. Evidently, however, this failure has not kept the movement from growing.

This strange Japanese fascism grows out of a pervasive national discontent with industrial and political conditions as they have been. In this, its background is at one with that of Mussolini's fascism or Hitler's. Japan is in desperate straits industrially. Her population is already too great for her own territory to support; the attempt to deal with over-population by turning from an agricultural to a factory society has broken down in the worldwide economic debacle. Unemployment has become a staggering problem in all Japan's cities; it is even more marked in the white collar groups—notably among university graduates—than in other strata of society. And taxes have gone up until in 1929, the last figures given in Professor Moulton's monumental study, a farmer with an income of only 1200 yen a year was paying a total of 270 yen in taxes, while a landed proprietor with an income of 100,000 yen paid taxes of 53,225 yen!

That such a condition of affairs should obtain has given rise to general impatience with party government. This is understandable; it is almost a universal condition in these days. In the case of Japan, this impatience has been most manifest among the military caste—historically opposed to civilian control—and the proletarians, who find their lot increasingly hard. By different processes of reasoning both these groups have arrived at the conclusion that big business, as typified in the huge Mitsui and Mitsubishi family trusts, is the principal devil responsible for present difficulties. And since the major middle class parties, the seiyukai and the minseito, have been composed of politicians having close relations with both these dominating business houses, this form of fascism has resulted—a fascism formed by an alliance of the valiant soldier with the aroused proletarian, determined to enlarge the empire for the sake of the empire's glory, and to provide an outlet for the thwarted energies of the farming proletariat.

This fascism has, from the outset, proclaimed the outright conquest of all Manchuria as its purpose. It has had no sympathy with what it considers the timidity of the older army leaders and the Inukai tories who have sought to disguise their Manchurian ambitions behind the formation of a puppet Manchukuo. It is out to take Manchuria, as Korea was taken, and to develop it as an integral part of the empire. What of finance? This fascism sweeps aside the question. It boasts that it will free itself from the control of international finance as completely as it is determined to free Japan from the control of its own banking houses. It calls for a conquest that will be self-maintaining, and if necessary it declares its readiness to defy the rest of the world in arms. Between the desperation of such a spirit and the old slogan of proletarian revolt in Europe, "Workers unite; you have nothing to lose but your chains!" there is little to choose.

Diet Now a Demonstrated Futility

In the far east, therefore, this is a moment of breathless uncertainty. It can be taken for granted that a heavy censorship is controlling all cabled dispatches from Tokyo. Just what the outcome of this new effort at overthrow of the government will be, the lack of complete information makes it useless to surmise. It may take the Japanese people some days, or perhaps even weeks, to make up their minds. It would seem, from this distance, that the fiction of parliamentary government is about demolished. The diet is now a demonstrated futility, unable either to formulate and enforce national policy or to protect the lives of its own members. Government, accordingly, can hardly remain as it has been. But it is too early to foresee what it is to become.

In the main, it seems likely that the cat may jump in one of two ways. Those huge portions of the proletarian public which are not willing to submit to any form of military government may unite with the liberal bourgeoisie to stage a counter-uprising against this new fascism. Or an entirely proletarian counter-revolution is not out of the question. Should this take place, the menace of a Japanese attempt at annexation of Manchuria will be at an end. But it is just as possible—perhaps even a little more possible—that the cat may jump the other way. It may accept the flaming ideas of the young military fascists as the nation's way out of its difficulties and toward glory. If it does, aggressive military adventure in northwest Manchuria is almost certain to follow.

And what would that mean? The prospect for evil implicit in such a course is so great that the mind almost refuses to contemplate it. But it would require, in that case, almost incredible restraint on the part of Russia to keep from a clash with Japan. Russia does not want war along her portion of the Manchurian border. She is already concentrating troops there in large numbers, but she knows that a war, with her great port, Vladivostock, cut off almost from the first shot, with her communications depending on that thin thread of single-track railway stretched across a continent, with her five-year plan incomplete, would be a catastrophe. Yet there is a degree of provocation at which Russia will fight. Japan, which promised to hold its troops at Hailin, about 125 miles from the Russian border, has already advanced them at least fifty miles beyond that. And reliable witnesses, who have talked with the younger Japanese officers who are leading in this fascist movement, report them quite without qualms over the prospect of a Russian war.

In all seriousness, we do not believe that the prospect for trouble in the far east has ever been so dark as it is at the present moment. Whether the change that seems inevitably impending within Japan works for or against international peace it is perhaps beyond the

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help of any outside forces to determine. But one thing, at least, should be done and done immediately. It should be made clear to the Japanese people that, in the event of an advance in northwest Manchuria, involving trouble with Russia, they will not have either the sympathy or the support of the western nations. To this end, an immediate and obvious move on the part of the United States would be to extend recognition to Russia. That might not, we admit, hold back Japan from the choice of fascism's folly. But it would give the more sober elements in her population cause for deep thought, and a basis for reasoning with their countrymen. And there is still a good chance that these sober elements in Japan may gain the upper hand.

Students to Take Military Training During Summer Months

A recent Nanking message stated that military training is to be carried on intensively during the summer vacation among students above senior middle-school grade throughout China. An order to this effect has been issued by the Inspectorate-General of Military Training to the Ministry of Education and all Provincial and Municipal Governments. During the present national emergency, the order states, all citizens should bear the yoke of hardship. During the summer vacation, therefore, military training for students should be rigidly enforced so that the national defense reserve may be strengthened. Detailed reports of training activities in the various schools and localities should be submitted to the Inspectorate-General from time to time, the order concludes.

American Army Aviator Killed In Unusual Accident at Manila

Lieutenant Elwell A. Sanborn, Air Corps, United States Army, was instantly killed at Clark Field, Philippine Islands, on June 21, when a 100 pound demolition bomb exploded under the tail of his plane during tactical maneuvers. Lieutenant Sanborn was well known in Shanghai, having been a visitor here several months ago, when he was the guest of Major Edward P. Howard, aeronautical expert for the U. S. trade commissioner, after having visited Peiping and Tientsin.

Opposition Against "Special Tax" Becomes Stronger

Japanese press messages state that a vigorous opposition has now been started jointly by the Shanghai Municipal Chamber of Commerce, seven local guilds, Kiangsu Provincial Chamber of Commerce and other Chinese mercantile organizations against the proposed imposition of the so-called "special business tax" throughout Kiangsu Province in order to obtain new sources of revenue to tide over the provincial finances. The opposition, which is daily intensifying, is based on the fact that the authorities of Kiangsu Province, in deciding upon the imposition of the new tax, have disregarded the pledge made by the Central Government for the abolition of likin and similar taxes throughout the country. In order to take the matter up with the Central Government, the Shanghai Municipal Chamber of Commerce has already sent a telegram to the Executive Yuan to ask its good offices for the revocation of the "illegal practice" in Kiangsu.

In this connection, it is interesting to note that Kiangsu Province is also contemplating the imposition of what it calls the Production-Consumption Tax in the Province in order to obtain funds to carry on the expedition against the Communist troops.

Why the Japanese Oppose the Hoover Disarmament Proposal

The Japanese naval authorities have decided to oppose President Hoover's proposal of disarmament and instructions to said effect have been despatched to the Japanese delegation at Geneva.

The reason for the decision, according to a *Rengo* message, is that Japan has to abolish one air-craft carrier, while America is constructing a new one; America would be able to maintain all newly constructed ships and be allowed to construct another, while Japan would be required to abolish three cruisers of the *Furutaka* class out of 90,000 tons. Moreover, Japan would have to abolish 43 ships, 172,796 tons, after 1936, but America would scrap only five capital ships. That is, the Japanese point of view is that the President's proposal requires greater sacrifice from Japan and Great Britain than from the United States.

Lord Lytton and Party Arrive in Japan

Lord Lytton and the other members of the League Commission, 36 in all, made a stop at Seoul, Korea, on their way to Japan, arriving there July 1. General Kawashima, Commander-in-Chief of Japanese Garrison in Korea and Mr. Imaida, Commissioner-General of Administration, welcomed the party, personally.

The Japanese telegrams stated that Lu Chun-fang, the Chinese Consul-General in Seoul, tried to call on Lord Lytton at the Chosen Hotel at Seoul, but was declined an interview. A *Kuo Min* message, however, stated that Mr. Lu had a twenty-minute interview with the Commission and submitted important documents.

Lord Lytton and his party arrived in Tokyo July 1 and on the following day they were kept busy with social events. They attended a luncheon given by the Japan-Manchurian Social Central Society, a tea party given by Mr. Shibata, chief Cabinet Secretary, and a banquet given by the Tokyo Chamber of Commence.

Lord Lytton and party were received by the Emperor at the Imperial Palace and also attended a banquet given by Prince Chichubu at the Akasaka Detached Palace July 5. They were due at the Hakone Hot spring resort at the end of the week.

A little prior to the arrival of Lord Lytton and party many bills were distributed at the Tokyo Railway Station reading, "The rights and interests acquired in Manchuria and Mongolia by our fathers and brothers should be defended at any cost," "For the sake of world peace, the League of Nations should take hands off from China," and "The Japanese public opinion is in favor of recognition of Manchukuo." The "instigating" bills were signed by the "Independent Youngmen's Society."

Lord Lytton, the head of the League of Nations Commission of Enquiry, while passing through Osaka on his way to Tokyo, issued a statement through the *Rengo* news agency in the course of which he said: "We are members of the Investigation Commission and not delegates to negotiations. Our object is to investigate into the present dispute and to report to the League of Nations on the real facts relative to the dispute. It is needless to say that the most important of all is to investigate permanent rights and interests possessed by both Japan and China in the area now at issue. To clarify the nature of those rights and interests is most imperative and that is our real mission. How could Japanese and Chinese rights and interests in Manchuria be readjusted or harmonised without investigating whether such rights and interests exist or not in that district? It is the duty of the League of Nations to exert efforts between the interested countries of Japan and China, based on the knowledge we gather and on the report we will make to the League Assembly."

Dr. Walter, one of the members of the League Commission, is scheduled to turn back to South Manchuria for the purpose of making enquiries on the question of Korean settlers in the vicinity of Chientao, after one week's stay in Tokyo.

A Peiping telegram indicated that the final report of the League Commission of Inquiry will be composed of five sections dealing with various phases of the Sino-Japanese controversy, besides a special section on the history of the relations between the two nations leading to the present impasse. The five sections will deal with the Shenyang (Mukden) outbreak of September 18, 1931, up to the occupation of Chinchow; the anti-Japanese boycott and other similar activities; activities of General Ma Chan-shan and other Kirin and Heilungkiang units as well as the Volunteers against the Japanese in Manchuria; the Shanghai hostilities; the establishment of the puppet "Manchukuo" government and its present condition. Compilation of the report, it is stated, has actually begun, with the Commission working four hours daily over the data now at its disposal.

Dr. Yen Tells League Delay on Manchuria Is Dangerous

At the special meeting of the League Assembly in Geneva July 1, Dr. W. W. Yen, China's chief delegate, formally agreed to an extension of the time limit within which the Council's report on the Sino-Japanese dispute was to be completed. He pointed out, however, that delay was dangerous and that China was not to blame for the delay. He hoped the study of the Manchurian report would be accomplished long before November 1. The situation in Manchuria, he went on, was particularly grave as a result of Manchukuo activities and he declared that there could be no peace with disrespect for treaties, a remark which evoked a great deal of applause.

The Swedish delegate followed and alluded to the Sino-Japanese situation as causing serious preoccupation in the rest of the world and he considered delay in the study of the report of the Manchurian commission of enquiry should be very short. He hoped for a satisfactory settlement of the dispute.

Delegates representing Czechoslovakia, Mexico and Spain who followed, spoke along similar lines as the Swedish delegate though the Spaniard complained of the delay of the Commission of Enquiry in getting to work. He hoped the report would lead to a satisfactory settlement.

President Hymans in summing up regarded his proposal for the extension of the time limit as being adopted and he declared that nothing should be done to hamper the work of the commission of enquiry and that no situation should be recognized which violated treaties.

Reconstruction Bank of China to Be Organized

The Ministry of Industry is taking steps for the organization of the Reconstruction Bank of China, which is to be a semi-official enterprise. A preparatory office has been established to make the necessary arrangements. According to the regulations governing the organization of the Bank adopted at a meeting of the Executive Yuan last week the institution will be capitalized at ten million dollars, of which four million dollars will be subscribed by the Government and the balance by the public. The head office will be at Shanghai. The General Manager is to be appointed by the Board of Directors. Among the activities of the Bank will be the issue of industrial bonds. It will also transact other banking business, such as granting loans to industrial and reconstruction enterprises, including mining, factories, railways, fisheries, salt mining, agriculture, reclamation, conservancy, forestry, etc. Messrs. Kuo Chun-tao and Hsu Shih-ching, respectively Political and Administrative Vice-Minister of Industry came to Shanghai during the week to consult financial interests here in connection with the establishment of the bank.

Mass Meeting in Tokyo to Urge Early Recognition of Manchukuo

A national assembly is to be convened on July 9 at Hibiya Park, Tokyo, to urge immediate recognition of Manchukuo by Japan. The meeting will be held under the auspices of the Joint Association for Manchuria Problems, consisting of Seiyukai and Minseito party members of the Diet, the Manchurian-Korean Society, a society of time-expired soldiers, and more than 10 other bodies. Yosuke Matsuoka of the Seiyukai and Mr. Kawasaki of the Minseito are to be among the speakers.

New People's Bank Opened at Tsinan

A new banking institution, known as the Min-Sen (People's Livelihood) Bank, was formally inaugurated at Tsinan, July 2. The new bank is being jointly financed by the Shantung Provincial Government and local merchants.

According to a report made at the inauguration ceremony by the manager of the Bank, the purpose of the new institution will be to promote and finance industrial and agricultural enterprises, encourage savings on the part of small depositors and generally to improve the economic well-being of the people. It will not aim merely at profit-making.

Hupeh Cotton Merchants Oppose Importations from United States

A report from Hankow states that the Raw Cotton Export Merchants' Association has sent in a petition to the Ministry of Industry expressing its opposition to the proposed loan for the importation of a huge amount of raw cotton from the United States on the ground that the flotation of such loan would imperil the livelihood of the majority of the population in Hupeh Province, who are making their livelihood from the export of raw cotton.

"The Ungrateful World"

BY "OVERSEAS"

IN connection with the recent Japanese military withdrawal from Shanghai, consequent upon the conclusion of an armistice, many newspapers reported that a spokesman of the Japanese Foreign Office had declared that Japan in Shanghai was fighting not only her own but the world's battles as well, yet earned the world's odium instead of approbation and gratitude. In other words, according to her apologists, *Japan is Fighting the Chinese to Benefit the World*, white, yellow, brown, black, and all. Taken literally, the average listener is led to believe in Japan's altruism, but a little reflection will induce him to infer that in this partciular case by the word, *World*, Japan means only a section of the white races, those who are imperially-minded like herself. The plain fact is that Japan wants Europe and America to believe that their interest, like her own must by necessity be based on the oppression and exploitation of the world's most numerous and prolific people; and as such must be maintained by military pressure, and that by her recent fighting in Shanghai, she has at the expense of her own interest, protected their interest, and would have extended it for them, if they had not disapproved of her actions. Despite all her effort the wordy screed from her Foreign Office has failed to hide her true motive from the knowledge of Europe and America, just as the smoke-screen of her army has not succeeded in covering the movement of her troops from the observation of the Chinese soldiers in Shanghai.

After all the preparation and trouble she has taken, she has so far convinced only the imbecile section of the human race of the ungratefulness of the world towards the "Land of the Rising Sun."

The Dream of Domination

Every nation like every individual has at one time or at all times a dream to rise above others and become the ultimate arbiter of the destiny of the world. Entranced by the notion, and obsessed by egoism, the nation concerned is bound to overlook the working of Natures's "Laws of Compensation." As a consequence she will use every means at her disposal to attain the end. To feel the fond dream materializing and feel the supreme moment of triumph, she will exert to the utmost and spare no sacrifices. History abounds with stories of the fate of those nations.

The Twentieth Century is witnessing the Japanese Nation seriously venturing out to put her dream to realization, just as the two preceding centuries have experienced the domination of Europe over the rest of the world. The cause and effect of the latter historical phenomenon like all others in the past, although in great measure influenced and manipulated by human agency, are nevertheless governed by the fundamental laws of nature. This last phase of Europe's activities, now gradually wearing out, constitutes a memorable stage in the development of human relationship.

A Western writer once said that Japan emerged from barbarism by adopting the ancient Chinese civilization, and became modern by borrowing European civilization. The fact is that Japan is still in the imitative stage of development. Japan is treading the path which others have trodden and forsaken. In her opinion Europe and America should neither preach to her about the forbidden path, nor upbraid her for breaking promises with them, because she is only doing what they have done in the past. In plain words, she is imitating the West, despite the fact that the west has been gradually discarding their old ways as old-fashioned and out of date.

In her march of expansion the West has started intuitively. In the words of a writer, commenting on the growth of the British Empire: "The gods have flung an Empire on the laps of England." Japan having been an apt pupil in the past, it must follow that she should excel her past examples. Whereas the British Empire grew haphardzardly, the Japanese world hegemony of the future, according to the now famous Tanaka Memorial, is to proceed according to pre-arranged plans.

History recorded that the progress of the Western Domination over the rest of the world had followed the course of least resistance, and it is now teaching the Dominant West that Nature's "laws of compensation" are inexorable and more exacting in demands on them than they ever can impose on their cowered subjects. For Japan in her present position to attempt to carve out such a path for herself in this age of unparalleled mental awakening among the entire submerged races of the world, synchronizing with a late realization by the Dominant West of the artificiality of their position morally and materially no longer tenable, is indeed a sad anachronism.

A New Age demands a New Game, so goes the chorus around the world. Will Japan forsake her cherished dream by stepping out of the beaten path, and join the refrain, or has Destiny a freak for her? *The World Awaits!*

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NOW AND AT ONCE!

China's New Minister to London

Mr. Quo Tai-chi, the recently appointed Minister to London, departed from Shanghai *en route* to his new post July 3 on board the *Empress of Japan*. The journey will be made via Canada and the United States. A large group of friends both Chinese and foreigners was present at the Customs jetty and gave him an enthusiastic send-off.

Among those who bade Mr. Quo farewell were Dr. Lo Wen-kan, Minister of Foreign Affairs; Mr. Liu Tsung-chi, Vice-Minister of Foreign Affairs; Gen. Wu Tei-chen, Mayor of Greater Shanghai; Mr. E. S. Cunningham U. S. Consul-General Mr. R. Calder Marshal, chairman of the British Chamber of Commerce; Mr. Samuel H. Chang, until recently director of the Intelligence and Publicity Department of the Waichiaopu, and Mrs. Chang; Mr. T. K. Kwok, secretary to the Ministry of Finance; Mrs. C. T. Wang, wife of former Minister of Foreign Affairs; and Mr. Singloh Hsu, local banker. Sir Frederick Maze, Customs Inspector-General, bade farewell to Mr. Quo the previous day.

Mr. Quo Tai-chi

Mr. Quo, born in 1889, is a native of Wusueh, Hupeh. After studying at Wuchang, he was sent to America in 1904 as a government supported student to pursue higher education. In America, he attended the Willeston Seminary and studied political science at the University of Pennsylvania, 1908-11, graduating with B. S. degree. Returning to China in 1912, he was appointed secretary to Li Yuan-hung, then Vice-President with headquarters at Wuchang. When Li became President of the Chinese Republic in 1916, he was appointed chief English secretary to the President's Office and concurrently counsellor to the Minister of Foreign Affairs. Between 1927 and 1928, he was appointed Commissioner of Foreign Affairs for Kiangsu and concurrently Vice-Minister of Foreign Affairs. In 1929, he was appointed Chinese Minister to Rome, but he did not proceed to his post.

When Dr. Lo Wen-kan was appointed to succeed Eugene Chen as the Minister of Foreign Affairs in the Nanking Government in January this year, Mr. Quo was appointed Political Vice-Minister of Foreign Affairs. Following the withdrawal of the 19th Route Army from Shanghai in March, Mr. Quo took an active part in the preliminary negotiations with the Japanese delegates regarding the Shanghai peace movement. He was later named as one of the two chief Chinese delegates to the formal Shanghai armistice conference, the other chief Chinese delegate being Gen. Tai Chi, the Shanghai and Woosung Garrison Commissioner. Mr. Quo conducted the Sino-Japanese armistice negotiations in Shanghai in an able monner.

The announcement of the appointment of Mr. Quo as the Minister to the Court of St. James was made by the National Government on April 21 last when Dr. Alfred Sze, Chinese Minister in London, resigned on account of ill-health. It was however arranged that he should not proceeded to his post until the armistice negotiations had been concluded.

Following the Shanghai armistice conference, Mr. Quo was offered the post of Minister of Foreign Affairs in succession to Dr. Lo Wen-kan who had in the meantime resigned, but Mr. Quo declined the offer. The Government thereupon issued a mandate (June 26) officially relieving Mr. Quo of his post as Political Vice-Minister of Foreign Affairs and ordering him to proceed to London to take up his new appointment.

Japanese Tackle Problem of Future Government of Manchuria

As regards the establishment of a unified organ in place of the four-headed administrative organs now existing in Manchuria, the Japanese War Office authorities are reported by *Rengo* to be in the course of consultations with the other high authorities in the government concerned, with a view to bringing the proposed plan into concrete existence at the beginning of August next. Mr. Yamaoka, Governor-General of Kwantung Administration, called on General Araki at the latter's official residence in Tokyo, July 2 to discuss the subject.

In connection with the forthcoming recognition of Manchukuo by Japan, the Japanese Government is stated to be still debating the important question of how to arrange with the Chinese Government for the revision of Sino-Japanese agreements and also of how to prepare for the ratification of treaties with the New Manchukuo. Premier Saito has ordered the Government authorities concerned to study the subject further and to formulate the subsequent preparations, which are necessary for an amicable solution of these questions. Japan, according to present indications will acknowledge the Manchukuo government just before the next general assembly of the League, which is expected to be reconvened in September next.

Irrigation Dispute Starts Gun Battle Between Rival Clans

Scores of people were killed and more than a thousand dwelling houses burned down as a result of a severe gun battle between hostile clansmen on the Kiangsu-Anhui border districts, according to reports which reached Hsuchow July 4. The war raged for several hours between villagers of the Hsiaohsien district in Kiangsu and those of Hsuhsien people, who, more than 2,000 strong, attacked their enemies with howitzers. Outnumbered, the villagers of the Hsiaohsien district suffered heavy losses of lives and property. The trouble arose from an outstanding dispute over two small streams called Tsunlungshan and Taishan which were used by the people of Hsiaohsien for irrigation work. A few months ago, farmers of Hsuhsien set up a dyke to prevent the water from flowing into Kiangsu province, and this drew protests from the peasants of Hsiaohsien.

Vice-Admiral Sakonji, Successor to Nomura, Arrives in Shanghai

Vice-Admiral M. Sakonji, former Vice-Minister of Navy, who succeeds Vice-Admiral Nomura as Commander-in-Chief of the Third Japanese Fleet, arrived in Shanghai July 4 on the Fleet's flag-ship *Idzumo*. On his arrival he issued a statement in the course of which he said: "It is my earnest desire to promote friendly relations between China and Japan, and to contribute to the mutual prosperity and permanent peace in the Orient, in keeping close cooperation with friendly Powers."

What Constitutes "Reasonable" Interest in Manchuria

According to Japanese reports, the Manchukuo authorities intend to promulgate a law limiting the rate of interest chargeable on bank loans to 18 per cent, per annum. The activities of money lenders will be curtailed by this measure, for it is proposed that no rate of interest exceeding 30 per cent per annum should be permitted.

Chinese Minister to Japan Denies Existence of Any "Formula"

General Chiang Tso-pin, the Chinese Minister to Japan, interviewed at Nanking before his departure for Japan during the week emphatically denied the report that he was returning to Tokyo with a formula from the Chinese Government for the solution of the Sino-Japanese dispute. He said he would first have to sound the opinion of the Japanese Government before any step could be taken or formula devised.

American Aviation Experts Arrive to Direct Aviation School

A party of 15 American fliers, mechanics, etc., with Colonel John Jouett at their head, was due to arrive in Shanghai from the United States on July 8. They have come here to establish a Chinese Government aviation school which will include an aviation medical department, the latter to be under the direction of Dr. Harold Cooper, well-known aviation medical expert of the United States.

Dr. Cooper is now in Shanghai, having arrived here several weeks ago.

Commencing on July 15 a course of intensive training in the arts of aerial warfare will be given all members of the National Air Force with the exception of those who are now at the front engaged in the bandit-suppression campaign. The course will be conducted at Nanking under the Aviation Administration of the Ministry of War.

West End Estates Report Deficit

At the annual meeting of the West End Estates, Ltd., Shanghai July 1, H. M. Cumine, the Chairman, reported that the results of the year still showed a loss, but the deficit was the smallest on record. Mention was made of the destruction of two semi-foreign houses in Chapei during the recent hostilities, involving a loss of about Tls. 3,000, a formal claim for which had been put on record with the proper authorities. During the year three estates had been disposed of, realizing Tls. 768,357, which had enabled the company to consolidate its position. Mortgages to the value of Tls. 370,000 were repaid, fixed loans reduced by Tls. 15,000 and fixed deposits by Tls. 110 700, leaving only Tls. 12,000 outstanding. These factors, he said, placed the company in a stronger position than it had ever had.

British Columbia Deports Hundreds of Japanese

The Provincial Government of British Columbia is considering driving Oriental workers out of all industrial positions and replacing them with Caucasians, in order to alleviate the intensified depression, according to a recent *Osaka Mainchi* Vancouver dispatch.

The jobless Japanese, in British Columbia, are receiving alms from the Government, in common with Canadians. The deplorable situation existing in British Columbia has prompted the immigration authorities to conduct a drastic hunt for stowaways in an effort to lessen the number of unemployed. Since January this year, nearly 500 Japanese have been deported from British Columbia on the charge of having smuggled themselves into Canada.

National Boy Scouts Association to Have New Headquarters in Nanking

A large tract of land covering an area of about 16 acres has been purchased in Nanking for the National Boy Scouts' Association of China and construction work on the necessary buildings is to begin immediately. The purchase was made possible through a donation of $100,000 by General Chiang Kai-shek, President of the Military Affairs Commission. The Association will replace the Central Boy Scouts' Headquarters as the highest boy scout organ in the country. General Chiang has been elected President of the Association. The Vice-Presidents are General Ho Ying-chin, Minister of War, and Tai Chi-tao, President of the Examination Yuan.

Eastern Siberia Has Science Budget of 529,000 Roubles

The Executive Committee of Eastern Siberia has approved the budget of the Far Eastern section of the Academy of Science of the U.S.S.R., amounting to 529,000 roubles, and has assigned for the use of the section a house in Vladivostok. The headquarters of the Far Eastern section will be transferred next year to Habarovsk, where a House of Science will be built to accommodate it.

No Sign-Board Tax in Hankow

Due to vigorous opposition of the mercantile community at Hankow, including the Chambers of Commerce, the Hunan Provincial authorities have given up the plan of imposing a new tax called the "sign board tax," which, according to the complaints of the merchants, is a kind of likin tax.

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JAPAN'S INTERFERENCE WITH FOREIGN JOURNALISTS IN NORTH MANCHURIA

(*Continued from page 197*)

was reported in the Harbin papers that the foreign consuls finally had succeeded in inducing the Manchukuo authorities to return the property which had been seized in Mr. Lindt's room at the Modern hotel; that the Manchukuo authorities would make a suitable apology to the French Consul-General for forcibly entering and plundering Mr. Lindt's room; that the Manchukuo officials would issue a statement absolving Steele and Lindt from the charges of espionage in connection with the League or Marshal Chang; and finally that Steele and Lindt would be permitted to retain their documents and use them for newspaper purposes. A report in the *North-China Daily News* (Shanghai) on July 2 from its Harbin correspondent stated that the Manchukuo authorities finally had returned all of Mr. Lindt's property with the exception of visiting cards which he had received from Chinese officials while on his trip to Gen. Ma's headquarters. It also was stated that both Steele and Lindt had returned to their quarters at the hotel and no further trouble was expected.

From private sources in Harbin it is learned however, that Sugihara, the Japanese agent who represents the Manchukuo puppet government in Harbin has privately warned both Steele and Lindt against publishing their interview with Gen. Ma Chan-shan, the warning being accompanied by a threat of their deportation from Manchuria. It is understood that both the American and French Consuls-General have again protested against this threat which amounts to actual news suppression. Also, it was stated that the Manchukuo officials finally have refused to return Gen. Ma's open letter to the League which the Japanese seized. There is said to be considerable apprehension in consular circles in Harbin that the entire case may be used by the Japanese to have their puppet Manchukuo inform the consuls they have no right to protest to Manchukuo on the ground that their respective governments have not recognized the puppet state; that since the foreign governments have not recognized Manchukuo the foreign consuls actually have no "right" to remain in Manchukuo territory. It is said that such a development would place Manchukuo somewhat in the status of Outer Mongolia in respect to Soviet Russia or Korea prior to the Japanese annexation.

Of direct interest in connection with the Japanese interference with the foreign correspondents referred to in the forgoing was a charge which the Japanese brought against a well known American missionary, the Rev. Charles Leonard, member of the American Southern Baptist Mission in Harbin. The Japanese charged that Mr. Steele, the *New York Times* representative had sent a message from Gen. Ma Chan-shan to Marshal Chang Hsueh-liang in Peiping with Mr. Leonard on Mr. Leonard's recent trip from Harbin to Chefoo. This charge Rev. Leonard denied in a statement issued at Chefoo on June 22. Rev. Leonard, it might be explained, is also a well known writer on Manchurian subjects both for newspapers in Shanghai and in the United States.

The general effect of Japanese persecution of foreign correspondents in Manchuria referred to in the foregoing has been to make it extremely difficult for news-writers to report what is going on in that area. According to the report received by *The Review* it is extremely dangerous for Chinese or anyone else to be seen talking to the foreign correspondents for they are likely to be arrested by the Japanese military police or Manchukuo authorities immediately afterward. It is understood that both the *Associated Press* and *United Press* have withdrawn their American correspondents from Manchuria which means that news reports from that area are now issued almost exclusively by the official Japanese *Rengo* and *Nippon Dempo* services, the correspondents of both of which are controlled by the Japanese military authorities.

Results Announced of Loan Redemption Drawings

Public drawings for the redemption of part of the principal of the 20th Year (1931) Currency Short Term Loan (2nd drawing) and the 18th Year (1929) Disbandment Loan (8th drawing) were held at July 5, at the Shanghai Bankers' Association under the supervision of the Ministry of Audit, the Kiangsu High Court No. 2, the Inspectorate-General of Customs, the Shanghai Bankers' Association, the Shanghai Native Bankers' Guild, the Shanghai General Chamber of Commerce and the NationalLoans Sinking Fund Commission. Loy Chang, Director of Loan Department of the Ministry of Finance, officiated.

The terminal numbers of the loan bonds drawn were as follows:—20th Year Currency Short Term Loan: 123, 677, 937. Bonds to the value of $240,000 will be redeemed; 18th Year Disbandment Loan: 08. Bonds to the value of $500,000 will be redeemed.

Payments will be made as usual through the Central Bank, the Bank of China and the Bank of Communications throughout the country as from July 15 for the 20th Year Currency Short Term Loan and July 31 for the 18th Year Disbandment Loan.

Britain Has Confidence in Japan

When a Labor member in the House of Commons July 5 requested the government to obtain an assurance that the policy of the Japanese government in respect of the new Manchurian state should conform with Article X of the Covenant of the League of Nations and with the first paragraph of the Nine-Power Treaty. Captain Anthony Eden, under-secretary of state for foreign affairs, recalled the resolution passed by the Assembly on March 11, when the Japanese delegate stated that the Japanese Government had been particularly glad to have had their attention called to the principle of scrupulous respect for treaty obligations to which they attached the greatest importance.

Railways and Roads as Aids to Subjugate Banditry

In order to instal a compact system of railways and highways in the provinces of Kiangsi, Hupeh, and Hunan, the Ministry of Railways has submitted a program of construction, together with estimates, to the Executive Yuan for consideration. By linking up the railways and highways, it is hoped to provide such communication facilities as would accelerate the development of the three provinces and assist in the military movements for the subjugation of "Red" banditry.

Gen. Chen Ming-shu to Go on a Special Mission Abroad

It is reported from Nanking that the Government has decided to send General Chen Ming-shu on a special mission to investigate military affairs in various European and American countries. The mission will last for about three months. The *Kuo Min* news agency states that although General Chen has agreed to take up the mission, he will remain technically as Minister of Communications, as his resignation has not been acceptedCby the Government. During his absence, Vice-Minister Chen Fu-mu will act in his place.

SHANGHAI'S "SPOKESMAN" AND THE DIE-HARDS

(Continued from page 195)

faction of China and the Powers, but obviously not to the satisfaction of local die-hards who make big money by exploiting the artificial protection accorded by the foreign fleets and defence forces temporarily stationed at Shanghai.

As repeatedly emphasized in these columns of *The Review* there is no logical reason why these various local Shanghai questions should not be settled locally to the mutual satisfaction of both Chinese and foreigners whose interests are directly involved. And they would be settled satisfactory were it not for the activities of those who desire to exploit the issues from the standpoint of nationalistic or selfish motives. Even the major issue of the control of the Settlement could be settled easily and painlessly by gradually increasing Chinese representation on the Municipal Council to a point where local Chinese financial and commercial interests would exercise the controlling voice. But every move in the direction of a just and equitable adjustment of these local issues has been blocked by a small minority which either makes money out of the present situation or which thinks that the present status of the Settlement should continue indefinitely unchanged simply because it has been that way for the past three-quarters of a century. They do not realize that conditions in China and the world generally have changed and even are too lazy or ignorant to take the trouble to read the texts of the treaties which govern the relations of China and the Powers.

It is not unlikely as the situation grows more acute due to the early expiration of the American and British commercial treaties upon which the so-called "security" of the Settlement rests, that the great mass of Shanghai's foreign population which depends for its livelihood upon friendly relations with the Chinese people, will finally take matters into their own hands and induce their respective governments to step in and effect a settlement of the various problems irrespective of the wishes of the die-hard fraternity. Obviously it is not to the best interests of the man whose livelihood depends upon the sale of motorcars, cigarettes, kodaks, breakfast foods, banking service, insurance or whatnot, that Sino-foreign relations at Shanghai should be kept in an abnormal state merely because that abnormal state best serves the interests of a small speculative and adventuring minority that actually occupies a sort of parasitical position from the standpoint of the welfare of the entire community. Hence we are glad that Shanghai's official "spokesman," regardless of who he is, has finally come out in the open and stated the real issue in terms which should be capable of understanding even on the part of the ignoramuses whose chief and only qualification is a loud voice!

Former Shanghai Dog Racing Manager Dies as Result of Accident

Captain Norman N. Bott, formerly racing manager of the Shanghai Greyhound Racing Club's Luna Park track in Shanghai, died at Bristol, England July 4 as a result of injuries received during a polo game. The late Captain Bott, who was 37 years of age, first came to Shanghai in 1927 with the British defense forces.

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Men and Events

Ryuichi Harada has been appointed by the Japan Foreign office as chief interpreter to the Legation in China.

As the result of a faulty landing, Hu Hui-ke, a member of the 2nd Chinese Aviation Squadron, was severely injured at Nanking July 4.

Count Uchida, President of the South Manchuria Railway Company, formally assumed the post of Japanese Foreign Minister July 6.

Mr. Yoshizawa, the former Japanese Minister for Foreign Affairs, has been recommended by the Government as a member of the House of Peers.

A Chinese aviator named Lee Kai, while piloting an airplane at Valley Stream, N. Y., June 28 crashed in a tailspin with the result that his skull was fractured.

During the past six months about one thousand suicides occurred in Japan, mostly as a result of the business depression. Most of the victims were between 20 and 25 years of age.

The opening ceremony of the Central Bank of Manchukuo took place at Changchun July 1. Pu Yi, the President of Manchukuo, and other high officials of the Government were present.

Construction work on the Nanking Waterworks is reported to be making satisfactory progress. Barring unforeseen obstacles, the plant will be in operation by the end of this year.

Japanese telegrams point out that the low exchange rate of yen is benefitting foreign tourists to Japanese summer resorts, steamers to Japan being crowded with summer vacationists.

The glycerine factory of the Japan Nitrogenous Powder Co., just outside Nobeoka, Miyagi prefecture, was blown up by an explosion June 28. The total loss is estimated to reach about Yen 30,000.

T. Yeguchi, assistant to Count Uchida, S. Kabayama and Tetsuya Hayakawa are mentioned in Tokyo telegrams as possible successors to Count Uchida as President of the South Manchuria Railway.

Makoto Yano, Councillor to the Japanese Legation, has come to Shanghai to take charge of the affairs of the Shanghai Office of the Japanese Legation during the absence of Minister Shigemitsu.

The Japanese consular service was reopened at Soochow July 5. Mr. Kaibanami, Acting Consul, together with 15 Japanese residents of Soochow, proceeded to their destination by rail under escort of Chinese gendarmes.

A Berlin message states that the two German airmen Captain Bertram and Herr Klausmann who were rescued early this week from the Australian bush, will continue their journey to China as soon as circumstances permit.

The Japanese Emperor entertained General Kanaya, a member of High Military Council and Ex-Chief of the General Staff at tea July 1, and heard a report from the general as to what he saw in Manchuria during his recent trip.

The Hopei Provincial Commissioner of Education has issued a circular order to the various Provincial schools instructing that exemption from payment of tuition fees be continued for refugee students from the Manchurian provinces.

Chen Kung-po, Minister of Industry, arrived in Shanghai from Nanking July 3 and entered a hospital here for treatment of a liver disorder. He expects to be able to leave the hospital and return to Nanking in about a fortnight.

The Ministry of Finance has made public a set of new regulations governing the administration of salt fields in the country. Among other things, the regulations make provision for the improvement of the method of producing and refining salt.

The trial of the Japan Communist Party members which continued from June 25 last year was completed at Tokyo July 5, when sentences were imposed on 105 accused, including many leaders of the party and those arrested in the Tokyo and Yokohama districts.

Hallett Abend, correspondent for *The New York Times*, and his assistant, Douglas Robertson, were hosts at a cocktail party on June 30 at their apartment in Embankment House in honor of Russell Owen, special correspondent for *The Times* who passed through Shanghai last week on his way home from the Philippines. Mr. Owen accompanied the Admiral Byrd expedition to the South Pole.

A party of 16 directors of intermediate schools scattered in various parts of Japan, headed by Kenji Hayashi, director of prefectural girls' middle school in Yamagata, are scheduled to arrive in Shanghai from Manchuria June 18 on an inspection trip.

Strict enforcement of military discipline by all Government units is urged in a recent order by General Chiang Kai-shek. Among other things the various units are directed to refrain from levying military supplies from the localities where they are quartered.

Lieut. General Mazaki, Vice-Chief of General Staff, while returning from Chinchow to Mukden July 5 narrowly escaped injury when the train in which he was travelling was derailed between Shisan and Pankentze stations owing to some sleepers having been removed.

The inauguration of the Aviation Construction Cooperative Association, formed by the National Salvation Federation of various Shanghai bodies, took place during a tea party held in the Shanghai Y.M.C.A. building, 123 Boulevard de Montigny, Shanghai,, June 28.

The Cathay, the house organ of the hotel by that name in Shanghai, is a sprightly fortnightly publication of 42 pages. It has just completed a half year of its existence. The contents discuss local subjects in a chatty manner—just the sort of thing a hotel guest likes to read.

Prison sentences ranging from five to ten years were imposed by the Keijo Local Court, Korea, June 28 upon Chosaiho and four other Koreans who had been found guilty of plotting to bomb the railway bridge over the Yalu River and also to create disturbances in Korea.

Rev. W. E. Simpson of the Assemblies of God Mission at Labrang, Kansu, who was held up by bandits in May has in the meantime been murdered, according to reports received at Peiping. A son of General Horvath, former head of the Chinese Eastern Railway, was murdered at the same time.

A new bank to be known as the Reconstruction Bank of China is to be established jointly by the National Government and private interests in the near future. Draft regulations governing the organization of the Bank, formulated by the Ministry of Industry, have been adopted.

Mrs. Cecil Chesterton, well-known British writer, gave a talk over X.C.B.L. radio in Shanghai July 1 in which she related some of her past experiences, particularly regarding her trip to Poland during the great war. Mrs. Chesterton has in the meantime started on a tour of the Yangtsze Valley.

The Soviet Far East now has 44 colleges, 11 universities and 5,638 elementary schools as against pre-revolution days when said region had in all only 54 schools. The census taken in 1923 revealed that only 37 percent of the population could read and write. By 1931 the percentage of literates had risen to 63.

The resignation of General Chen Ming-shu from his post as Minister of Communications has been rejected by the Executive Yuan. General Chen was instead given three months' leave and during his absence General Huang Shao-hsiung, Minister of Interior, will act concurrently as Minister of Communications.

According to officials of the 19th Route Army the amount of monetary contributions collected for the Army totalled $10,000,000. Of this amount, about $6,300,000 was raised in China while the rest of the amount was collected from abroad, notably Hongkong, Strait Settlements, U. S. A. and other quarters.

In compliance with a recent request of General Chen Ming-shu, Gendarmerie Commander for the Nanking-Shanghai area, submitted through the Ministry of War, the Executive Yuan has decided to abolish the said Headquarters and grant one month's extra pay to the officers and soldiers attached to the Headquarters.

Chen Kung-po, member of the Political Affairs Committee, was transferred to the Economic Committee of the Central Political Council at a meeting of the Council held June 29. General Ku Chu-tung was appointed member of the Political Affairs Committee and Chou Fo-hai member of the Education Committee of the C. P. C.

Ma Kuei, a son of General Ma Chan-shan, accompanied by three friends, arrived at Nanking from Peiping beginning of the week. Mr. Ma called on President Wang Ching-wei to submit a detailed report on the military operations against the Japanese in northern Manchuria. Mr. Ma, it is understood, will also consult the Government concerning financial support of the forces under the command of General Ma Chan-shan and other military leaders in Manchuria loyal to the National Government.

Junius B. Wood, well-known foreign correspondent for the *Chicago Daily News*, formerly stationed in the Far East and later in Moscow, is again on his way to the Far East according to a report in the June 11 *Editor and Publisher*, which stated that Mr. Wood will visit Japan and North Manchuria on his present trip.

Reports received in Peiping state that the various universities in Japan have organized a Japan-Manchuria Association and are planning to send 1,000 college graduates to Manchuria to serve as officials under the so-called Manchukuo government. The Association is headed by Professor Matsudaira of the Meiji University.

D. W. Vikner and Reverend Nyhus, the American missionaries who had been captured by bandits at Chikungshan late last month, arrived in Hankow July 2. They stated that their release was due to the fact that the bandits felt that they were missionaries and "good people" who, not being rich, could evidently not yield anything in the way of a good ransom.

The 17 years old son of Mr. Galinpolsky, prominent insurance agent in Harbin, and for many years a representative of the American Underwriters' Association, was kidnapped near Harbin June 22, together with two other children. Reports from Harbin state that since the arrival of Japanese troops and the advent of Russian police kidnapping and robberies have increased to an alarming extent, the bandits now having an excellent organization, with detailed information on police movements and lists of rich men.

Proof of Existence of Japan's New "Sex-Stores"

Since several readers of *The Review* expressed skepticism regarding the existence of the Japanese "sex-stores" referred to in the issue of *The Review* on June 25, we now present the actual proof in the form of a snap-shot of the front of one of these institutions, the one shown herewith being located in Kobe.

The above picture showing the front of the Kobe store was snapped by an American tourist and sent to *The Review*. According to the report these stores are springing up in all the leading Japanese cities and while outwardly are catering to the idea of birth-control through the sale of articles which are banned in most countries, there appears to be evidence that the shops actually are commercializing on the baser human instincts. Some of the shops publish illustrated catalogues with English text which are widely circulated among foreign tourists visiting in Japan.

Pleasant Amenties Between Japanese War Minister and Manchukuo Visitor

Lieut.-General Araki, Minister of War, was host at a banquet given at his official residence in Tokyo July 1 in honor of Ting Chien-hsiu and his staff of forty Manchukuo officials who are touring Japan. In a welcome address, the War Minister emphasized the necessity of close cooperation between Japan and Manchukuo for the development of the Oriental civilization and declared that Japan has a firm determination to exert her utmost at any cost for the satisfactory progress of Manchukuo. Replying to the address, Mr. Ting expressed hearty thanks of the Manchukuo people to Japan, especially to the Japanese military authorities, for the great assistance in the establishment of Manchukuo. The head of the Commission took the occasion to hope for the immediate recognition of the Manchukuo Government by Japan.

WHAT GIVES SO MUCH FOR SO LITTLE AS YOUR

SHANGHAI TELEPHONE COMPANY

SOCONY FOR ECONOMY GASOLINE

Who's Who in China

Gen. Chang Lai, army officer; born at Liuyang, Hunan, 1891; was graduated from the Kwangtung Military Officiers' College; served successively as battalion commander, ranking staff officer, director of Communications Department and chief adjutant of the 11th Revolutionary Army under Gen. Chen Ming-shu; commander of 76th regiment of the 26th Division of the same Army and shortly transferred as Commander of the 16th regiment of the 8th Brigade; promoted Commander of the 8th Brigade; upon reorganization of the 11th Revolutionary Army as the 19th Route Army, he was appointed commander of 121st Brigade of the 61st Division, in which capacity, he participated in the recent Sino-Japanese War at Shanghai and fought several pitched battles at Kiangwanchen (Major Kuga of the Japanese 9th Division was taken captive by troops of Gen. Chang's Brigade at Kiangwanchen); he has had a long record in the Army Service and taken part in many arduous Revolutionary and Anti-Communist Campaigns during the past few years.

張勵宇翼之
Gen. Chang Lai

張勵宇翼之，年四十一歲，湖南瀏陽縣人，廣東陸軍軍官學校畢業，歷充陸軍步兵營長，中校參謀，國民革命軍第十一軍交通處長，副官長，第廿六師七十六團團長，本師第八旅十六團團長，升任第八旅旅長，改番號爲一百廿一旅仍任是旅旅長，民十六年，廣東東江之役，民十八廣東白泥之役，民十九魯豫之役，民廿贛藍南剿赤藷役，民廿一年上海抗日之役，皆與焉.

Draft Regulations for Civil Administration

The draft provisional regulations governing the appointment of Special Commissioners for the supervision of Civil Administration in the country, formulated by the Ministry of Interior, were adopted at a meeting of the Executive Yuan June 28. The regulations will be submitted to the Central Political Council for approval. It was also decided that the National Government be petitioned to abolish the regulations governing the organization of the Preparatory Office for the institution of a Central Land Bureau. The affairs of the Bureau are to be taken over by the Ministry of Interior.

New Political Party Is Organized in Japan

The plan for the establishment of a new political party in Japan by Mr. Adachi, the former Minister of Home Affairs, and others who seceded from the Minseito, was put in to concrete shape July 1, when the "National Policy Investigation Club" was inaugulated at the Station hotel, with all members present. Mr. Adachi, the leading spirit of the new political body, has declared that the main object of the club is find substantial ways and means for breaking the present deadlock.

New Books of Interest in the Far East

A Picture of Siam

Brown Women and White, by Andrew A. Freeman. John Day Company. $3.00.

This is a really fascinating book from a little known part of the Far East—Siam. Can you imagine anything more romantic and enthralling than going to Siam to run a newspaper for the King of that odd little country? That is what Andrew Freeman did. Travelling round the world he had been touched and held by the "gorgeous east" as represented by Japan. Then a few weeks in Shanghai, Hongkong and Manila. Malaya proved too hot to be comfortable and just as he was congratulating himself on getting along to less steamy climes came a funny little telegram suggesting he might edit the King's newspaper.

It was too good to resist and the train from Penang carried him through the Malayan and Siamese jungle to what we have all heard of as the hell of the East—Bangkok.

But Mr. Freeman found it to be a garden where excitement, romance and occasional danger flourished like tropic flowers. He had been threatened with cholera, leprosy and the plague but he found work, good fun, many friends and a few enemies. The enemies made the excitement and the occasional danger but the friends were worth it.

The excitement and fascination started when he was met at the station by a Siamese who enjoyed the name of Michael Duffy and lasted until he regretfully drew his roots from Bangkok a year later and continued the trail of adventure and exploration through the rest of Asia, the near East, Europe, Africa and so back to prosaic New York.

This is no economic or political treatise on Siam. Mr. Freeman is too good a craftsman for that. In a year he absorbed a good deal of Siam but he never let himself think he had taken it all in and still less that he could give it all out for those who want to go to Siam but can't. Read "Brown Woman and White," and you will see Siam through an open door. All of it you will not see but what you do see will be in correct perspective and colored with an artist's brush. You cannot ask more. You may object that there is too much of how to run a newspaper in Bangkok but if you are wise you will realise that through the medium of that newspaper office you are seeing infinitely more of the land of sacred wats and sacred white elephants than you would from the verandah of a Bangkok hotel.

There is between these covers a very human and satisfying picture of a Siamese family. Thousands have lived in China a life-time and know less of Chinese family life than Andrew Freeman learned of this Siamese family in a year. Here in the space of one book is as much as one could possibly get into the space of the life, the spirit, the trials and the happinesses of the Siamese. In this book they live.

As if this were not enough there are interspersed some magnificent stories. Can you imagine the excitement, the fear and the danger when the sacred and royal elephants cut loose and run amok? Read it in this book and be thrilled. Then there is the story of June Carey, which I thought one of the best short stories I had read in years until I turned a little further and read the stories of Sylvester and of Schaeffer. Read them and you will say of each that it is the best story you have read in years.

This is a first book and it is a truism of first books that they each contain enough material for five books. This one is no exception. Mr. Freeman's second book will be wanted soon by all who read this one.

I suspect that another one that would welcome would be from the pen of the dedicatee, M.A., who went with her husband to Siam and who could give her own enthralling account of this strange little country.

Finally, this book will shed quite a lot of indirect light on the recent political developments in Siam, the revolution and the establishment of the constitutional monarchy. The book is very beautifully produced.

F. S. O.

Current Issue of "The China Review" Replete with Excellent Material

The *China Review* is the name of an excellent quarterly magazine published at 39 Temple, London. The current issue which covers the period April-June (Vol. 1 No 3) is replete with material of exceptional value and interest. As is only natural, considerable space is devoted to the Japanese invasion, particularly at Shanghai. Among the subjects discussed are the British Government's Policy towards the Sino-Japanese conflict, the effect of the Japanese invasion on flood relief work and an account of the work being done by a Liverpool organization for promoting closer cultural relations between Great Britain and China. An article by the Rt. Hon. George Lansbury, a member of Parliament, is headed, "Japanese Invasion of Chinese Territory Must Receive Moral Condemnation of the World." Among the documents contained in the number are: Chinese Government's Statement on Independence of Manchuria, Secretary Henry L. Stimson's Letter to Senator William S. Borah and Sir John Simon's Statement on the Far Eastern Situation.

Dr. Young's Book on Japan Criticized by Yenching Professor

A review written by Dr. Shuhsi Hsu, of Dr. C. Walter Young's "Japan's Jurisdiction and International Legal Position in Manchuria;" appearing in the July number of the *Chinese Social and Political Science Review* has been reprinted in brochure form at Peiping, with the title "Japan's Rights and Position in Manchuria." The author is Professor of Political Science at Yenching University. He controverts many of Dr. Young's statements and criticizes the conclusions drawn by him on numerous points.

Journal of Political Science

The first semi-annual issue of the *Journal of Political Science*, published by the Political Science Association of Tsing Hua University, Peiping, appeared recently. The volume is a scholarly study on topics of law and political science and contains a number of interesting articles, among which are: "The Modern Tendency of Political Science," "A Study on Corporal Punishment in Chinese History," "Political Thoughts of Kuan Tsu," "An Analysis of American-Russian Relations," "Law and Jurisprudence," "Relation of Political Parties with Government," "International Law and Anti-Japanese Boycott," "Sociological Jurisprudence," "Sino-Japanese Problem and International Law," etc.

Journal of Association of Chinese and American Engineers

The current number of the *Journal* of the Association of Chinese and American Engineers, whose headquarters are at 6 Tsai Chang Hutung, Peiping, contains an article on the Hulutao Harbor Works by G. A. van Steenbergen. Other contributors are R. T. Reinhardt, Arthur M. Shaw, A. F. Blaess, G. J. Bell, E. A. Craft, A. F. Crowder, H. A. Dixon, B. Elkind, F. G. Jonah and C. E. Weaver.

Road Construction Continues Apace in Nearby Provinces

All projected highways in the provinces of Kiangsu, Chekiang, and Anhwei are to be completed and open to traffic before the end of this year, according to a recent Nanking telegram. Work on the Shanghai-Hangchow, Kashing-Soochow, and Nanking-Wuhu Highways is to be concluded by September.

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FEVERISH.....

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General Ma Again Outwits Japanese

The attempt of General Honjo, Commander-in-Chief of the Japanese forces in Manchuria, to carry out a large-scale enveloping movement against the Heilungkiang units, by making use of the Japanese troops and the Manchukuo forces along the Tsitsihar-Keshan, Hulan-Hailun and western section of the Chinese Eastern Railways, was frustrated by General Ma Chan-shan. Cutting through the Hulan-Hailun Railway north of the Hulan River, the Heilungkiang units succeeded in establishing contact with their comrades at Hsinglungchen, Tunghsingchen, Mulan and Tungho and also with the Kirin Self-Defence Army on the southern bank of the Sungari River. The failure of General Honjo's plan is attributed to the fact that the tanks and airplanes upon which he depended were rendered ineffective by the heavy rain during the past few days.

General Ma's units occupied Chaotung, about 60 miles north-west of Harbin, in southern Heilungkiang, on June 28 and attacked Antachan (station) on the western section of the Chinese Eastern Railway the next day. One Japanese airplane was shot down by the Government units under General Kung Chang-hai at Pinchow, 55 miles east of Harbin.

Chu Chi-ching, reserve member of the Central Executive Committee, who has been travelling incognito in Manchuria, in a recent statement at Nanking said that the total number of the North-eastern Volunteers is 300,000, comprising 100,000 regulars under Generals Ma Chan-shan, Ting Chao, Li Tu and others and 200,000 organized by the people. There are at present five route armies, two independent detachments, nine independent divisions, and several independent cavalry regiments and one training regiment.

The national government during the week recognized the various Chinese leaders who are actively fighting the Manchukuo and Japanese forces in Manchuria. General Li Tu, fighting in Kirin against the Japanese, has been appointed deputy commander of the north-eastern garrison, a post next to that held by Marshal Chang Hsueh-liang and formerly held by General Chang Tso-hsiang. General Ting Chao, former commander of C.E.R. railway guards who is fighting in Manchuria, is made acting chairman of Kirin.

It is reported that the situation at Mukden has become very critical due to the secret entry of plainclothes units of the Chinese Volunteers into the city. Trenches have been dug by the Japanese outside the city walls as a precautionary measure against the impending assault of the Volunteers.

Siaoholintse and Lintien, south-east of Tsitsihar, have again been occupied by the Heilungkiang Volunteers.

Heilungkiang units under General Ma Chan-shan launched an attack on Suihua, on the Hulan-Hailun Railway, via the Hulan River and Changfatun beginning of July.

The various route armies of the Chinese Volunteers in western Liaoning, having effected a junction with each other, are harassing the Japanese by their guerilla tactics. The Japanese have intensified their terroristic methods. Upon receiving an alarm call, airplanes are sent to bombard civilian houses, and under pretext of searching for Volunteers, they set fire to private dwellings and seized private properties.

According to reports emanating from Japanese sources, the anti-Manchukuo troops plundered the village of Hsinlitun, near Yushu, July 2. The anti-Manchukuo forces, numbering some 2,000, clashed with the Murai and Funabashi detachments just outside the village and a terrific battle ensued during which the anti-Manchukuo troops were defeated and put to flight.

Three Japanese brigades under Major-Generals Nakamura, Murai and Funahashi, in conjunction with the Manchukuo Brigade under Lin Pao-lin, made a joint assault on the Kirin troops at Hsinlitun and Sanchiatse, in the vicinity of Yushu, July 1. The Japanese used several bombing planes. For 12 hours the struggle continued, the loyalists under General Feng Chan-hai, Chao Wen-pin and Yao Pin-chi being compelled finally to withdraw northwestwards to Tsaichiakou station on the Harbin-Changchun section of the Chinese Eastern Railway, in face of the overwhelming opposition.

China Carefully Watching Situation at Tientsin

A spokesman of the Department of the General Staff declared at Nanking June 29 that while no reports had been received confirming the rumors of an impending outbreak at Tientsin and Peiping under Japanese instigation, the Department nevertheless had decided upon measures of resistance in anticipation of any contingency. The high military authorities are determined and ready for prolonged resistance against further Japanese aggression, he said.

The situation in north China, though outwardly quiet, is really fraught with grave danger, in the opinion of Tan Chen, Vice-President of the Judicial Yuan, who arrived at Nanking from Peiping July 1. He said that although the situation at Peiping and Tientsin seems calm on the surface secret conspiracies are brewing. He gave it as his opinum that unless the authorities take active precautions, a crisis of even graver dimensions than the Manchurian invasion might arise at any mement. Vice-President Tan, recently made a trip to Peiping and Tientsin, for the purpose of making a careful investigation of the conditions prevailing in north China.

Japanese Prepare to Invade Jehol

Reports from Peiping indicate that Lieut.-General Mazaki, Vice-Chief-of-Staff to the Japanese Imperial Army, who arrived recently at Chinchow, southern Liaoning, is conferring with the Japanese military there concerning the imminent invasion of Jehol. Japanese military units at Chinchow are preparing to move on Jehol along the Chinchow-Chaoyang Branch Railway. In anticipation of the attack, *Kou Min* says Chinese Volunteers along the Liaoning-Jehol Border regions are concentrating outside of the railway zone on the Chinchow-Chaoyang Branch Line.

General Tang Yu-lin, chairman of the Jehol Provincial Government, has confirmed the news that the Japanese military in Manchuria have been concentrating troops on Liaoning-Jehol borders. Charging that Marshal Chang Hsueh-liang has financed the Chinese volunteers and other loyalist troops in Manchuria in their revolt against the Japanese puppet state of Manchukuo, the Japanese are now stated to be planning an invasion of North China as a "retaliative measure."

Japan Has Unfavorable Trade Balance for June

According to the Tokyo Finance Department, the approximate figures on Japan's foreign trade, during the last ten days of June are as follows: Exports, Yen 39,425,000; Imports, Yen 25,607,000. These figures shows a favorable net balance amounting to Yen 13,818,000, for the first time this year. Summing up the total since January this year, Japan's foreign trade balance up to date recorded an adverse trade balance of about Yen 265,030,000. According to announcement of the Finance Ministry, the country's foreign trade during the past month is 101,701,000 yen in export and 111,668,000 yen in import, showing a balance of 9,967,000 yen in favor of import. During the last ten days of the month exports exceeded imports for the first time this year.

New Railway Station to be Built on Chungshan Road, Near Chenju

Plans for construction of a new North Station in Shanghai, to replace the one at Chapei destroyed by Japanese bombardment last February, have been submitted by the Shanghai-Nanking and the Shanghai-Hangchow Railway Administrations to the Ministry of Railways for approval. The new depot is to be located on Chungshan Road near Chenju and is estimated to cost $3,500,000.

Minister Ku Meng-yu will be *ex officio* Chairman and Vice-Minister Tseng Chung-ming, *ex officio* Vice-chairman of the Construction Committee; the other five members include Chen Hsing-han, Managing-Director of the two Railways, and other officials of the Ministry.

Chinese Firm Sues American as Guarantor on Promissory Notes

Ching Foong and Co. brought suit in the U. S. Court for China June 29 against H. E. MacIntyre as guarantor of four promissory notes of a total of just under Tls. 20,000 issued by H. E. Booker, a promoter of various local sporting enterprises who it is stated has since returned to the United States. The defense raised is that the money given by plaintiffs was to their knowledge to be used for gambling in gold bars, and as the notes were based on an illegal consideration they were invalid and void. Mr. MacIntyre gave evidence that he endorsed the notes without any consideration.

$5,000,000 BONDS TO FINANCE WAR ON COMMUNISTS

(*Continued from page 160*)

The strategic points of Suchiapu, Tuishanchen and Hanpatu have all been captured by the Government units. The outlaws have fled to the mountainous regions on the western bank of the Pi Ho (River) where an enveloping movement is being carried out by the bandit-suppression troops.

General Ho Ying-chin to Assist General Chang Hsueh-liang

General Ho Ying-chin, Minister of War and concurrently Commander-in-Chief of the Bandit-Suppression forces for the Kiangsi-Kwangtung-Fukien Border regions, came up to Nanking from Nanchang June 29 to consult the Finance Ministry regarding appropriations for the bandit-suppression campaign.

It was later reported that General Ho Ying-chin, would be appointed to an important post in the North to assist General Chang Hsueh-liang, Director of the Peiping Pacification Headquarters, in carrying out the plans for recovery of the occupied territories in Manchuria. General Ho had been directing military operations in Nanchang for the past two months. It is stated that he will proceed to Peiping in the immediate future.

A previous telegram announcing that General Ho Ying-ching had arrived in Nanking mentioned that his object was to secure a bandit suppression appropriation from T. V. Soong, the Finance Minister. He was reported to have said that if Mr. Soong did not return to Nanking soon he would proceed to Shanghai to meet the Minister here.

Canton Flying Officers Flock to 19th Route Army

The Review's correspondent at Hongkong wired on July 3 that as a result of the desertion of 40 more aerial officers from the Canton government, who proceeded to Hongkong to join General Chang Hui-chang and Admiral Chen Cheh and the announcement by these officers that they did not intend to participate in the campaign against Hainan, but intended to combine with the 19th Route Army at Fukien, General Chen Chi-tang has shown a willingness to resume peace negotiations with Admiral Chen Cheh. So far eighty per cent of the Canton flying officers have deserted. Gen. Chen Chi-tang now possesses scores of airplanes without aviators. Admiral Chen Cheh obtained the permisson of the Hongkong Government to allow a dozen of his small gunboats to remain at Hongkong. If peace negotiations fail these vessels will leave for Fukien. An ultimatum had previously been given by the British authorities at Hongkong to the various gunboats anchoring in the port to depart within 24 hours. Liu Chi-wen, mayor of Canton, came to Hongkong and called on Chu Shao-hsin, former minister of foreign affairs, to assist in conducting negotiations with the British government for the release of the disarmed gunboats.

General Tsai Ting-kai, since his arrival in the South, together with General Li Tsung-jen has been actively engaged in trying to restore peace between General Chen Chi-tang and Admiral Chen Cheh. The Southwestern Political Council, the highest government organ in Canton, end of last week decided to accept their suggestion of a peaceful settlement of the military-naval controversy, the proposal providing for the unconditional reinstating of naval officers in their original posts and the consent of the military authorities to give a leave of absence to Admiral Chen Cheh for a trip to countries of Europe on a special mission. The Admiral has not, however, shown any signs of accepting such a proposal.

The gunboat *Chungshan*, flagship of Admiral Chen Cheh, Commander of the Kwangtung Naval Squadron, arrived at Amoy July 3 under the command of Captain Chen Ti. Immediately upon his arrival Captain Chen had an interview with General Huang Chiang, Chief-of-Staff of the 19th Route Army. Captain Chen explained the departure of the *Chungshan* from Kwangtung waters as due to the reluctance of both himself and his crew to participate in civil warfare. They have therefore proceeded to Amoy with the intention of assisting the 19th Route Army in the anti-Red campaign in Fukien.

A *Kuo Min* message quoted Admiral Chen Cheh as declaring that he had withdrawn to a "corner" to await mediation by the Central Government of his dispute with General Chen Chi-tang. Admiral Chen stated that he deplored the fact that the re-organization of the Canton Naval Squadron should take place at a time when the nation was facing a serious crisis both from foreign aggression and from the Red menace within, thereby precipitating further internecine strife.

"Reds" Start Intensive Campaign on Kwangtung-Kiangsi Frontier

The *Review's* correspondent at Hongkong wired on July 5 that 50,000 Communists who had evacuated from Fukien province, fearing the arrival of the Nineteenth Route Army had retreated to the Kwangtung-Kiangsi frontiers where they fiercely attacked the Kwangtung troops in several directions, taking advantage of the absence of General Chen Chi-tang's crack divisions in the Hainan area. The Communist outrages are causing the greatest concern. It is understood that 10,000 Communists attacked Nananfu in Kiangsi province during the weekend but were repulsed by the government forces, who registered a victory in the course of which they killed a thousand Communists and seized hundreds of rifles. An independent band of Communists simultaneously attacked and captured Namhung in Kwangtung province and besieged the mountainous districts known as Tayuling. The indications were that this band would sweep through Shiukwan (Shiuchow, Kwangtung province) towards Canton if their progress was not interrupted. General Chen Chi-tang has sent several regiments and ten airplanes to Shiukwan. Previous messages stated that large troop movements of troops were taking place on the Canton-Shiuchow section of the Canton-Hankow Railway. Thousands of soldiers were being despatched northward to reinforce the units under General Hu Han-mou, Commander of the 1st Kwangtung Army, who is in charge of the Kwangtung units engaged in the anti-Red campaign in southern Kiangsi. According to reports received from the front, 20,000 "Red" bandits are gathered along the Kwangtung-Kiangsi border in an attempt to disturb the rear of the Government forces. Reinforcements are being rushed to Sinfeng, on the Kiangsi side of the border, which the Reds have been attacking.

As there are only six Kwangtung regiments in southern Kiangsi under General Yu, additional troops have been despatched to the North River region to strengthen the defense against the outlaws.

General Chen Chi-tang's airplanes launched fierce attacks on Hoihow July 5, dropping many bombs and causing considerable property destruction. Simultaneously attacks were launched on the rebellious gunboat *Feiyin* in Hoihow harbor. The latter retaliated with anti-aircraft firing.

The Canton Government has decided on drastic measures to disarm the marines at Hoihow in view of the Communist outbreak, which demands the immediate withdrawal of Gen. Chen Chi-tang's regiments from Hoihow and vicinity. Gen. Chen has also resolved to summon 10,000 Kwangsi troops for an anti-Red expedition.

Thousands of Communists who were assaulting Tayuling with the intention of disarming Chen's main body of troops and cutting off their communications with the Canton Government, suffered many casualties.

Charges Against Sun

Sun Fo, former president of the Executive Yuan, has been charged by the Cantonese with supporting the Hainan rebel commander of the Fourth Naval Squadron. The group of over 40 air officers who deserted General Chen Chi-tang, commander of the First Group Army, were bought over by Mr. Sun, it was charged in Canton military circles. according to a *Shan Shih* message from Hongkong, July 1.

Nanking Appeals to Southerners to Maintain Peace

The Standing Committee of the C.E.C. despatched a telegram July 3 to Messsrs. Hu Han-min, C.C. Wu, Sun Fo, Tang Shao-yi and other C.E.C. members now at Hongkong and Canton, urging them to use their good offices in bringing about a speedy and amicable settlement of the present imbroglio between the Cantonese naval and military forces. The message, it is significant to note, is addressed also to the two principal parties to the dispute, namely, General Chen Chi-tang and Admiral Chen Chih. The message points out that, realizing the catastrophic results of internecine strife and the gravity of the menace to which the nation has become exposed as a result of the Japanese military aggressions, all comrades of the Party have, ever since the Manchurian crisis last year, united together in firm and sincere cooperation in the hope that the national emergency might be overcome through such concerted efforts. For the past six months or so, they have consistently striven in accordance with the spirit of unity and cooperation.

The telegram requests the various C.E.C. members to use their good offices to effect a satisfactory solution of the dispute so that all the armed forces in the south may be united for the suppression of Red bandity and resistance to foreign aggression.

Chinese Criminal Code to Be Revised

A revision of the Chinese Criminal Code is now under consideration by the Legislative Yuan. The present Criminal Code has been in force for about three years. Recently, the Legislative Yuan issued a circular inquiry to various prominent jurists in the country soliciting their views regarding the provisions of the Code. A total of over 100 replies has been received, making various suggestions for a revision of the Code.

Public Trial of Mr. and Mrs. Noulens Commences at Nanking

The trial of Mr. and Mrs. Noulens, the two Belgian Communists who were arrested about a year ago in Shanghai and handed over to the Chinese authorities, began in the civil division court of the Nanking District Court July 5. The accused are being defended by a Chinese lawyer from Shanghai, Chen Ying.

The chief judge is Li Mien, who is chief of the criminal division of the Nanking District Court. He is assisted by Messrs. Ling Cheh-ming and Ying Yueh-hsu. The procurator is Chang Shan-ping. The trial is being held in public. Special translators for English and French have been engaged. Only those with special passes are being admitted to the court-room.

Mr. and Mrs. Noulens (who are also known as Ruegg) have gone on hunger strike as a result of the decision of the Court not to allow any foreign lawyer to appear to defend them.

The first day's proceedings were of a dramatic character. Both the defendants took the attitude that they would not answer any questions, this gesture being in support of a pronounced protest against the competency of the court to try the case. Present in court were Dr. O. Fischer, Shanghai lawyer, and Jean Vincent, a Swiss lawyer who is stated to be a relative of the male defendant. The demand of the defendants was that the case be transferred to the second district court of Kiangsu in the higher court at Shanghai, in view of the fact that the arrest was made there. Judge Li Mien vainly attempted for half an hour to get the defendants to answer questions. They later answered a few perfunctory questions with the express stipulation that the answers were only in support of the application for the transfer of the case. Defendants spoke in English. A squabble ensued as to the competency of the interpreter and he was later changed. Noulens called attention to the fact that he was arrested over a year ago, that he had been brought before a military court and held for four months and five days, although according to Chinese law an accused should be released after four months. The defendants announced that they would continue their hunger strike until their case was transferred to Shanghai.

Fighting Continues on Tibetan Border

Urgent despatches received at Nanking from Sikong report that fierce fighting is in progress in the vicinity of Kantzu and Chanhua, eastern Sikong, between Tibetan troops and the combined Szechuan-Sikong forces under General Liu Wen-hui, Chairman of the Szechuan Provincial Government and concurrently Defense Commissioner of the Szechuan-Sikong Border. The Government units are stated to be meeting with definite success.

Hostilities were renewed when the Tibetans, with the arrival of reinforcements, suddenly launched two attacks. So far all attacks have been repulsed despite the strength of the invaders, who are estimated at over 5,000. At Changtu (Chamao) behind the front lines, a reserve of 17,400 men is reported to be concentrated by the enemy. The Tibetans are well-equipped with rifles, mausers, and fieldguns of various calibre.

While for the last few days there has been a lull in the fighting in southern Kokonor, which Tibetan troops invaded last month, reports received from Sining, provincial capital of Kokonor, state that fresh reinforcements have arrived for the Tibetans, who are reported to be preparing for a big drive.

It is understood that an agreement has been reached between General Ma Pu-fang, Commander of the newly organized 9th Division now defending Kokonor, and General Liu Wen-hui, Chairman of the Szechuan Provincial Government and concurrently Defence Commissioner for the Szechuan-Sikong border, for a joint drive against the Tibetans with Changtu as their objective.

Flood Situation Improves in Various Parts of China

The flood situation at Changsha and other cities along the Siang River in Hunan, is stated to have improved considerably. Water which inundated various areas has gradually receded with the return of good weather. Communications in many places have been restored.

In Kiangsi, orders have been issued by the Provincial Authorities to all district magistrates along the Kan River and around the Poyang Hu (Lake), north of Kiangsi, instructing them to take immediate measures for the strengthening of various embankments where danger is greatest. Nanchang, however, is becoming dry again as the flood continues to subside.

With the exception of a breach in the dykes along the Huto Ho, the situation in Hopei is not at present regarded as serious. Nevertheless, the Provincial Authorities are not slackening in preventive work. A sum of $180,000 will be expended in strengthening dykes at all danger points while a further sum of $16,000 has been appropriated for repair of the break along the Huto Ho.

Three thousand picked troops assigned by General Liang Kuan-ying, Commander of the 25th Route Army, started work as laborers on the Huai River July 1 following arrangements made between General Liang's representative at the Capital and Chuang Sung-fu, Vice-Chairman of the Huai River Conservancy Board. The 3,000 soldiers will be engaged, in conjunction with refugee labor, on the Huai River conservancy work which is now proceeding at Taokowtzu, northern Kiangsu, at which point the River will be trained towards the sea by a new channel. According to details of the agreement, the soldiers will be given wages equal to 60 per cent of those received by refugee laborers. All materials in connection with the work will be supplied by the Conservancy Board while officers of the 25th Route Army will undertake the supervision of the soldier-workers.

Thirty-eight villages on the banks of the Taitzu Ho, southern Liaoning, have been inundated as a result of the collapse of the dykes. Over 90,000 mow of fields are flooded and much damage to live-stock and other properties is reported.

Traffic on the newly opened Hangchow-Kiangshan Railway in Chekiang has been disrupted owing to the floods which have damaged a section of the track near Chengchiawu station.

The newly-constructed Lingpao-Tungkwan section of the Lung-Hai Railway was seriously damaged June 30, when, due to the recent heavy rainfall, a landslide occurred west of Tunnel No. 12, west of Lingpao. Tracks over a length of about 300 metres were buried under the debris.

The city of Wuchow, Kwangsi's main port, is now flooded as a result of the overflow of the Sikiang (West River). The water has reached to such a height that sampans are displacing vehicles as the only means of communications on the streets.

Fourth of July Fittingly Celebrated in Shanghai

The American community in Shanghai celebrated Independence Day July 4, in a befitting manner. The day's events began with a flag-raising ceremony at the Race Course. During the forenoon American children visited the *U. S. S. Rochester*, the oldest commissioned ship in the U. S. Navy. An exceptionaliy large gathering was present at the U. S. Consulate General at noon when E. S. Cunningham proposed the official toast to the President. A large crowd attended a baseball game in the afternoon between the *U. S. S. Rochester* and Shanghai amateurs. A polo match was played between the American Troop and an American team which took the name of the Cowboys. The American Club held a largely attended reception at its premises in Foochow Road.

New Oil Refining Plant to Be Built in Western Siberia

The construction of a plant for refining the products of the Emba oilfield is announced to be started at Orsk, Western Siberia, during the current year. The plant, which will treat annually 1,500,000 tons of raw oil, will supply oil and oil products to Western Siberia, part of Eastern Siberia and a section of the Ural industrial region. Equipment for the plant will be built entirely in Soviet factories and is to cost 72,000,000 roubles. The raw material will come from the Emba oilfield. Emba is considered a first class oil district. Over 200 oil outlets have been registered, all of them being adapted to separate independent structures connected with salt vaults in the interior.

Democrats Nominate Franklin D. Roosevelt for President

Franklin D. Roosevelt, Governor of New York state, was nominated as the Democratic candidate for President of the United States on the fourth ballot at the Democratic convention in Chicago July 1. His principal opponent was Alfred L. Smith, former Governor of New York, the unsuccessful candidate last year. The Democrats inserted a plank in their platform favoring repeal of prohibition, and, although the South generally is "dry" there are no prospects that this plank will deflect any appreciable number of votes to the Republican side.

The following is a complete list of candidates from the various parties to be voted for at the election, which will take place November 8.

Democrats:—President, Franklin D. Roosevelt; Vice President, John Garner.

Republicans:—President, Herbert Hoover; Vice President, Charles Curtis.

Socialists:—President, James H. Maurer; Vice President, Norman Thomas.

Communists:—President, William Z. Foster; Vice-President, James W. Ford. The last mentioned is a Negro.

Japanese Cotton Yarn Exports Show Increase

According to statistics that have been compiled by the Japanese Millowners Association, the amount of cotton yarn that was exported from Japan during the last ten days of June reached 37,490 bales, an increase by 464 bales as against the previous ten days of the month and an increase by 2,578 bales against the same period last year. It is explained that, whereas exports to Shanghai and Manchuria dropped on account of the Sino-Japanese conflict, exports to Hongkong, Tientsin and British India advanced sufficiently to more than offset the decrease of business in Shanghai and Manchuria.

Outrageous Arrest of Manchuli Commissioner of Customs

Sir Frederick Maze, the Inspector General of Customs, received a telegram from the Commissioner of Customs at Harbin, Mr. Prettejohn, July 6, stating that he had received unimpeachable evidence of the outrageous arrest on July 4 of E. T. Schjoth, a Norwegian subject, the Customs Officer in charge of the Manchuli Customs Station, on the Siberian frontier. The Norwegian authorities are being informed of this illegal act.

Latest New York Stock Exchange Quotations

Market:—Easy. Business Done 600,000 Shares

June 29, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Fri. July 1	Tues. July 5
23½	1⅝	—	Adams Express	2⅛	2
182¾	43½	•6.00	Allied Chemical & Dye	47⅞	46⅝
42¾	4¼	.50	Allis Chalmers	5	4¾
129¾	30¼	•4.00	American Can	33¾	32½
51¾	2	—	Amer. & Foreign Power	2	2¼
31½	1⅛	—	Amer. & For. Power W.	1⅛	Unq.
58½	5¼	—	American Smelting	6⅜	7⅛
201¾	76⅝	9.00	American Tel. & Tel.	78⅞	76¾
132¾	45	•5.00	American Tobacco "B"	50½	49⅞
80¾	11½	2.00	American Waterworks	12½	Mutl.
43¼	3	—	Anaconda Copper	3⅛	3¾
295½	30¼	•4.00	Auburn Automobiles	48	46⅝
87¼	3⅞	—	Baltimore & Ohio	Unq.	5½
70⅝	7½	—	Bethlehem Steel	8¼	8½
76½	20⅛	•2.00	Borden Company	21⅝	21¼
30¾	3½	1.00	Borg Warner	3⅞	4
45¾	7⅜	1.25	Canadian Pacific Railway	9⅛	9½
131½	17⅝	—	Case, J. I.	22¾	22½
102	19¼	2.00	Chase Bank	Not	19
54⅛	5	2 00	Chesapeake Corp.	5½	5
25¾	5⅛	1.00	Chrysler	6⅛	5⅞
20¾	1⅞	—	Cities Service Co.	2⅛	2⅛
45⅝	4⅞	1.00	Columbia Gas & Electric	6⅝	6
12	1¾	.30	Commonwealth & Southern	2	2⅛
2¾	¼	—	,, ,, warr.	¼	¼
109⅝	33⅝	4.00	Consolidated Gas. of N.Y.	38	36⅜
12	4	—	Continental Oil	4¼	4¼
86⅝	26⅞	•3.00	Corn Products	27½	25⅜
5⅞	⅞	—	Curtiss Wright Co.	⅞	⅞
78¾	23	4.00	Drug Incorporated	27¼	28
107	22½	3.00	Du Pont de Nemours	23¾	23⅛
185¾	38	5.00	Eastman Kodak	40⅝	37⅜
61	5¼	6% S	Electric Bond & Share	5⅝	5⅜
60¾	2⅞	—	Electric Power & Light	3	3
38⅜	1⅛	—	Fox Film "A"	Unq.	Unq.
54¾	8⅝	.40	General Electric	10	9⅝
56	19⅞	2.00	General Foods	20¾	20
48	7⅝	1.00	General Motors	8	7⅞
84⅛	7	3.00	General Railway Signal	Unq.	Unq.
38¾	9¼	1.00	Gillette Safety Razor	13	12⅞
42½	8⅜	1.60	Gold Dust	10½	10
20⅞	2¼	—	Goodrich Rubber	2⅞	Unq.
52¾	5¾	—	Goodyear Tire & Rubber	6½	6⅝
62½	4	—	International Cement	Unq.	47⅞
4	½	—	International Combu. Eng.	Unq.	Unq.
60½	11¼	1.80	International Harvester	11½	11½
20⅛	3⅝	—	International Nickel	4⅛	4¾
38¾	2¾	—	International Tel. & Tel.	3¼	3¼
80¾	10	—	Johns Manville	11⅝	11
31½	5	—	Kennecott	5	5½
27¾	1/32	1.61	Kreuger & Toll	3/32	3/32
91¾	34⅛	•4.00	Liggett & Myers, "B"	40¼	38½
63¼	13½	•3.00	Loew's: Inc.	15½	Not
21⅞	9	1.00	Lorillard P. Co. (com.)	11⅛	10½
19	1½	—	Ludlum Steel	Unq.	2⅛
29¼	3½	—	Montgomery Ward	4⅜	4¼
108½	23¾	2.00	National City Bk. bid price	Unq.	Not
14¾	2½	—	Nevada Copper	Unq.	2⅞
132¼	9	—	New York Central	11⅞	11⅜
90¼	14¾	10%S	North American Co.	17¼	16½
54⅞	17¼	2.00	Pacific Gas & Electric	19⅞	19⅜
11⅞	1⅜	—	Packard Motors	1¾	1¾
50¼	1⅛	—	Paramount—Publix. Corp.	1¾	1⅞
64	7	—	Pennsylvania Railroad	7⅛	7¼
8½	1	—	Pennroad Corporation	1⅛	1
16⅝	2½	—	Phillips Petroleum	3¼	3⅝
96	31⅛	3.40	Public Service of N. Jersey	34	32⅛
27½	2⅝	—	Radio Corporation	3⅜	3¾
24½	1½	—	Radio-Keith Orpheum	Unq	1¾
54½	26⅝	3.00	Reynolds Tobacco "B"	27½	26¾
62¼	10	—	Sears Roebuck	10¼	10¼
10¼	2½	—	Shell Union	3⅜	3¼
23⅜	3	—	Simmons Company	4	Unq.
26½	5⅜	.80	Socony-Vacuum Corp.	6⅞	6½
54½	16⅝	2.00	SouthernCaliforniaEdison.	19	19
88¾	8¼	2 00	Standard Gas & Electric	10¼	9⅝
54½	20¼	•1.00	Standard Oil of N. Jersey	24½	24
26¼	9⅜	1 00	Texas Corporation	9½	9⅝
55¾	12½	2.00	Texas Gulf Sulphur	13	12⅛
18	2	—	Trans America	2⅞	2¾
72	16	1.20	Union Carbide & Carbon	17	16⅜
205½	29¾	6.00	Union Pacific Railway	31⅞	31⅛
38⅞	6⅝	—	United Aircraft & Trans.	7⅞	7⅝
31¼	3¾	.40	United Corporation	4⅛	4
37½	10½	1.20	United Gas Improvement	12⅞	12⅛
20⅜	2	—	U.S. Rubber	2	2
162¾	21¾	—	U.S. Steel	23¾	22⅜
76¾	5¼	—	Vanadium	7	7
20⅜	⅝	—	Warner Bros. Pictures	¾	¾
107¾	16⅜	—	Westinghouse E. & M.	17⅛	16⅝
72⅝	23⅞	2.40	Woolworth	24⅛	24⅛
			Call Money	2½%	2½%

*Plus extras

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In the United States Court for China

In re.

Estate

of

RODNEY KEELER HEIM,

Deceased

Cause No. 3460

Special Proceedings No. 1550

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of RODNEY KEELER HEIM deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road,

Shanghai, China.

In the United States Court for China

In re.

Estate

of

JOHN MARTIN HANSEN

Deceased

Cause No. 3459

Special Proceeding No. 1549

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN MARTIN HANSEN deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road

Shanghai.

The National City Co. Gold Bond Quotations Received From Head Office

June 30, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	24½	—
Argentine Government	6 % May 1, 1960	36½	—
U. S. of Brazil	6½% Oct. 15, 1957	16¾	—
Republic of Finland	6½% Sep. 1, 1956	46	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	30¾	—
Kingdom of Italy	7 % Dec. 1, 1951	85⅞	8.48
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	57	—
American I.G. Chemical Corporation	5½% May 1, 1949	62	10.27
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	30½	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	57½	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	60¼	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	58¼	—
Chinese Government (Crisp Loan)	5 % 1912	35½	—
Shanghai-NankingRailway	5 % 1904/08	28½	—
Shanghai - Hangchow-Ningpo Railway	5 % 1908/58	55½	—
Hukuang Railway	5 % 1911/1951	16	—
Tientsin-PukowRailway	5 % 1908/09	12	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, July 5, 1932

Demand selling rate on America:	U.S. 1.00=Sh. $5.0120
Demand buying rate on America:	U.S. $1.00=Sh. $4.8882
Demand selling rate on London:	£1.0.0=Sh. $17.832
Demand buying rate on London:	£1.0.0=Sh. $17.341

WHAT IS THE WORLD'S MOST POPULAR HEALTH RESTORATIVE?

There is little doubt that this pre-eminent position is occupied by Dr Williams' Pink Pills, the blood and nerve tonic which has been making sick people well in nearly every country in the world over a period of half a century.

People who have tried Dr. Williams' Pink Pills know their wonderful efficacy and never cease to recommend them to others who suffer from blood impoverishment and ailments resulting therefrom.

Dr. Williams' Pink Pills create plentiful supplies of rich new blood, strengthen the nerves thereby, and invigorate the whole system. For neurasthenia, debility, emaciation and pallor, sleeplessness, vertigo, dyspepsia, back pains and physical weakness premature age and impotence, women's ailments, rheumatism and sciatica, the introduction of supplies of new rich pure blood is essential. That is why Dr. Williams' Pink Pills are what you need. Give them a thorough trial and gain new health and vigour.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River.' and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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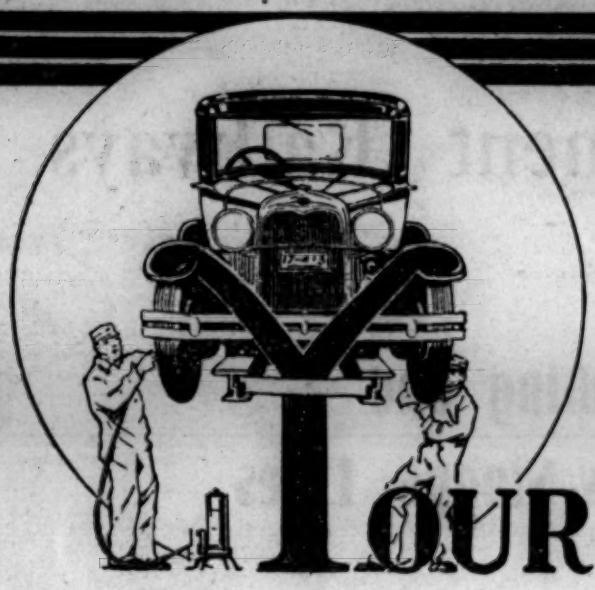

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YOUR Ford was built for many thousands of miles of dependable, fault-free service. But no matter how good a car may be—how fine the parts or great the skill with which they are made and fitted—certain attention is necessary from time to time. Then, it is essential that men who know the Ford car in every part, men who work with *precision* machinery and *accustomed* fingers, should do the servicing or make the repairs.

YOUR local Ford dealer, therefore, is the man to see when you need service, parts, or accessories of any kind. His clean, well-ordered shops are equipped with factory-endorsed service machinery. The parts used are genuine Ford parts—high in quality, low in cost.

FORD service is always most economical—always dependable and safe—but at this particular time, when many cars require extra attention, special prices are in effect. Drive into the nearby Ford Service Department and ask about them. A free inspection will be made of your car. You will know the cost of the work you order before it's started—and will find it agreeably low.

Authorized Shanghai Dealer:

BILLS MOTORS, Fed. Inc., U.S.A.

CORNER AVENUE FOCH AND ROUTE CARDINAL MERCIER

ALSO

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AT ALL IMPORTANT POINTS IN CHINA,
MANCHURIA AND INDO-CHINA.

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SHANGHAI